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DIGEST OF PUBLIC LAW 165

LEGISLATIVE HISTORY

FOREIGN AID. To provide assistance for military, economic, and technical assistance. Public Law 165 -- 82nd Congress follows: Authorizes appropriation of \$1,000,000 for military assistance and \$1,130,000 for economic and technical assistance for Europe.

Chapter 479--1st Session

Authorizes appropriation of \$1,000,000 for military assistance and \$1,130,000 for economic and technical assistance in Africa and the Near East.

Authorizes appropriation of \$1,000,000 for military assistance and \$1,130,000 for economic and technical assistance in Asia and the Pacific, with a specific authorization of \$75,750,000 additional for the U. S. Korean Reconstruction Agency.

Authorizes appropriation of \$1,000,000 for military assistance and \$1,130,000 for technical assistance in the American Republics.

Gives the Secretary of Defense responsibility for the military assistance. Sets June 30, 1954, as such ending date as program continues, as the termination date for assistance, and authorizes the President to terminate assistance earlier under certain conditions.

Agreed to the following TABLE OF CONTENTS

By Senator Gilllette, to eliminate the matter granting the President authority to make in person transfer of any fund to the act to any other fund therein.

By Senator Birkenhead, reducing by \$250 million the authorization for funds for economic aid to Europe, by a vote of 36 to 24.

By Senator Douglas, increasing by \$77,500,000 the authorized funds for aid to Africa and the Near East and, by \$75 million each, the funds authorized for resettlement of Palestinian Arabs and for relief of refugees coming into Israel.

By Senator Eastman, to transfer \$5 million from U. S. Korean Reconstruction Agency to the United Nations for South America.

By Senator Eastman, to discontinue certain activities in Europe and to increase development and reconstruction of free labor unions there, by a vote of 36 to 24.

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DIGEST OF PUBLIC LAW 165

FOREIGN AID. To provide authorizations for military, economic, and technical assistance to foreign countries. The bill provides as follows: Authorizes appropriation of \$5,043,350,000 for military assistance and \$1,130,500,000 for economic assistance for Europe.

Authorizes appropriation of \$396,250,000 for military assistance and \$122,500,000 for economic and technical assistance in Africa and the Near East.

Authorizes appropriation of \$535,250,000 for military assistance and \$178,750,000 for economic and technical assistance in Asia and the Pacific, with a specific authorization of \$75,750,000 additional for the U. N. Korean Reconstruction Agency.

Authorizes appropriation of \$38,150,000 for military assistance and \$15,250,000 for technical assistance in the American republics.

Gives the Secretary of Defense responsibility for the military assistance. Sets June 30, 1954, or such earlier date as Congress determines, as the termination date for assistance, and authorizes the President to terminate assistance earlier under certain conditions.

Agreed to the following amendments to the bill:

By Senator Gillette, to eliminate the section granting the President authority to make 10 percent transfer of any fund in the act to any other fund therein.

By Senator Dirksen, reducing by \$250 million the authorization for funds for economic aid to Europe, by a vote of 36 to 34.

By Senator Douglas, increasing by \$37,500,000 the authorized funds for aid to Africa and the Near East and, by \$10 million each, the funds authorized for resettlement of Palestine Arabs and for relief of refugees coming into Israel.

By Senator Smathers, to transfer \$6 million from U. N. Korean Reconstruction Agency to the point-4 program for South America.

By Senator Benton, to discourage cartel practices in Europe and to encourage development and strengthening of free labor unions there, by a vote of 36 to 31.

By Senator Dworshak, reducing by \$37 million the authorized appropriation for military aid for Europe, by a vote of 44 to 25.

SECTION 10. To provide authorization for military, economic, and technical assistance to foreign countries. The bill provides as follows: Authority appropriated of \$2,000,000 for military assistance and \$1,500,000 for economic assistance for Europe.

Authority appropriated of \$250,000 for military assistance and \$125,000 for economic and technical assistance in Africa and the Near East.

Authority appropriated of \$250,000 for military assistance and \$125,000 for economic and technical assistance in Asia and the Pacific, with a special authorization of \$75,000 additional for the U. S. Foreign Assistance Agency.

Authority appropriated of \$250,000 for military assistance and \$125,000 for technical assistance in the American Republics.

Given the Secretary of Defense responsibility for the military assistance, June 30, 1954, or such earlier date as Congress determines, on the termination date for assistance, and authorizes the President to terminate assistance earlier under certain conditions.

Added to the following amendments to this bill:

By Senator Gillis, to eliminate the section granting the President authority to make 10 percent transfer of any fund in the act to any other fund therein.

By Senator Eilberg, reducing by \$150 million the authorization for funds for economic aid to Europe, by a vote of 36 to 34.

By Senator Hargis, increasing by \$25,000,000 the authorized funds for aid to Africa and the Near East and by \$10 million each, the funds authorized for resettlement of Palestine Arabs and for relief of refugees coming into Israel.

By Senator Eilberg, to transfer \$5 million from the U. S. Foreign Assistance Agency to the United States for South America.

By Senator Eilberg, to discontinue capital transfers to Europe and to encourage development and strengthening of free labor unions there, by a vote of 36 to 31.

By Senator Eilberg, reducing by \$15 million the authorized authorization for military aid for Europe, by a vote of 44 to 25.

The following amendments were rejected:

By Senator Dirksen, to reduce by \$500 million the authorization for economic aid to Europe, by a vote of 31 to 41.

By Senator Green, to increase by \$1 billion the appropriation authorizations in the bill so as to put them on the basis recommended by the administration, by a vote of 17 to 56.

By Senator Smathers, to transfer \$6.75 million from the U. N. Korean Reconstruction fund to the point-4 program in South America.

By Senator Kefauver, to establish a Mutual Security Administration to administer the bill, by a vote of 18 to 50.

Senator Douglas, to increase from 5 to 10 percent the permitted transfer of funds in the appropriation authorization for assistance to Europe, by a vote of 22 to 45.

Senator Aiken offered, but later withdrew, an amendment to authorize the construction by the U. S. and Canada of the St. Lawrence Seaway.

As approved, the bill will authorize appropriations of \$7,483,400,000. The Economic Cooperation Administration will be abolished and its functions transferred to a Mutual Security Administration headed by a Director for Mutual Security in the Executive Office of the President.

August 22, 1951 Committee completed consideration of H. R. 5113.

August 23, 1951 Committee took action.

August 24, 1951 Voted to report H. R. 5113 with amendments.

August 27, 1951 Senate Committee on Foreign Relations and Armed Services reported H. R. 5113. Senate Report 713. Print of bill as reported.

August 28, 1951 H. R. 5113 made unfinished business.

August 29, 1951 Senate debated H. R. 5113.

August 30, 1951 Continued debate.

August 31, 1951 H. R. 5113 passed the House with amendments. Print of bill with amendments of the Senate. Senate conference appointed.

September 13, 1951 Additional Senate Conference appointed.

September 14, 1951 House conference appointed.

September 27, 1951 Senate received conference report. (S. Rep. 73)

The following amendments were rejected:

By Senator Hiram, to remove by \$500 million the authorization for economic aid to Europe, by a vote of 51 to 41.

By Senator Owen, to increase by \$1 billion the authorization for operations in this bill as to the sum on the basis recommended by the administration, by a vote of 19 to 56.

By Senator Smith, to increase by \$1.75 million from the U. S. Government Reconstruction fund to the point-4 program in South America.

By Senator Hiram, to establish a Mutual Security Administration to administer the bill, by a vote of 38 to 50.

Senator Hiram, to increase from 5 to 10 percent the permitted transfer of funds in the authorization for assistance to Europe, by a vote of 32 to 65.

Senator Hiram offered, but later withdrew, an amendment to authorize the construction by the U. S. and Canada of the St. Lawrence Seaway.

As amended, the bill will authorize appropriation of \$7,452,460,000. The Economic Cooperation Administration will be abolished and its functions transferred to a Mutual Security Administration headed by a Director for Mutual Security in the Executive Office of the President.

INDEX AND SUMMARY OF H. R. 5113

July 26, 1951 Hearings: Senate on S. 1762, Mutual Security Act on which hearings were held.

August 10, 1951 Mr. Richards introduced H. R. 5113; which was referred to the Committee on Foreign Affairs. Print of bill as introduced.

August 14, 1951 House reported H. R. 5113 without amendments. House Report 872. Print of bill as reported.

August 16, 1951 The Rules Committee reported a resolution for consideration of this bill.

August 17, 1951 House began debate.

August 20, 1951 House concluded debate and passed H. R. 5113 with amendments.

August 22, 1951 Read twice and referred to the Senate Committee on foreign Relations and Armed Services, jointly. Print of bill as referred.

August 23, 1951 Voted to consider this bill in lieu of S. 1762.

August 24, 1951 Committees continued consideration of H. R. 5113.

August 27, 1951 Committees took actions

August 28, 1951 Voted to report H. R. 5113 with amendments.

August 29, 1951 Senate Committee on foreign Relations and Armed Services reported H. R. 5113. Senate Report 703. Print of bill as reported.

August 30, 1951 H. R. 5113 made unfinished business.

August 31, 1951 Senate debated H. R. 5113

September 13, 1951 Continued debate

September 18, 1951 H. R. 5113 passed the Senate with amendments. Print of bill with amendment of the Senate. Senate conferees appointed

September 27, 1951 Additional Senate Conferees appointed.

September 27, 1951 House conferees appointed.

September 27, 1951 Senate received conference report. (S. Doc. 73)

INDEX AND SUMMARY OF H. R. 2113

July 26, 1951	Hearings: Senate on S. 1762, Mutual Security Act on which hearings were held.
August 10, 1951	Mr. Stenholm introduced H. R. 2113, which was referred to the Committee on Foreign Affairs. Print of bill as introduced.
August 14, 1951	House reported H. R. 2113 without amendments. House report 702. Print of bill as reported.
August 16, 1951	The House Committee reported a resolution for reconsideration of this bill.
August 17, 1951	House began debate.
August 18, 1951	House continued debate and passed H. R. 2113 with amendments.
August 20, 1951	House twice and referred to the Senate Committee on Foreign Relations and Armed Services, jointly. Print of bill as referred.
August 21, 1951	Referred to committee this bill in lieu of S. 1762.
August 22, 1951	Committee continued consideration of H. R. 2113.
August 23, 1951	Committee took action.
August 24, 1951	Voted to report H. R. 2113 with amendments.
August 27, 1951	Senate Committee on Foreign Relations and Armed Services reported H. R. 2113. Senate report 702. Print of bill as reported.
August 28, 1951	H. R. 2113 was withdrawn.
August 29, 1951	Senate debated H. R. 2113.
August 30, 1951	Continued debate.
August 31, 1951	H. R. 2113 passed the Senate with amendments. Print of bill with amendments of the Senate. Senate conference appointed.
September 13, 1951	Additional Senate Conference appointed.
September 18, 1951	House conference appointed.
September 27, 1951	Senate resolved conference report. (S. Rec. 73)

October 1, 1951	Conference Report debated in Senate.
October 2, 1951	Senate passed H. R. 5113 after defeating motion to recommit. House received Conference Report No. 1090
October 5, 1951	House agreed to conference report with one exception.
October 8, 1951	Senate agreed to House action. House received President's estimate of appropriations. (House Document 250)
October 10, 1951	Approved: Public Law 165.

H. R. 5113

SEPTEMBER

A BILL

82d CONGRESS
1ST SESSION

H. R. 5113

IN THE HOUSE OF REPRESENTATIVES

AUGUST 10, 1951

Mr. RICHARDS introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Mutual Security Act of
4 1951".

5 SEC. 2. The Congress declares it to be the purpose of
6 this Act to maintain the security and to promote the foreign
7 policy of the United States by authorizing military, economic,
8 and technical assistance to friendly countries to strengthen
9 the mutual security and individual and collective defenses of

1 the free world, to develop their resources in the interest of
2 their security and independence and the national interest
3 of the United States and to facilitate the effective participa-
4 tion of those countries in the United Nations system for col-
5 lective security. The purposes of the Mutual Defense Assist-
6 ance Act of 1949, as amended (22 U. S. C. 1571-1604),
7 the Economic Cooperation Act of 1948, as amended (22
8 U. S. C. 1501-1522), and the Act for International De-
9 velopment (22 U. S. C. 1557) shall hereafter be deemed
10 to include this purpose.

11 TITLE I—EUROPE

12 SEC. 101. (a) In order to support the freedom of Europe
13 through assistance which will further the carrying out of the
14 plans for defense of the North Atlantic area, while at the
15 same time maintaining the economic stability of the countries
16 of the area so that they may meet their responsibilities for
17 defense, and to further encourage the economic unification and
18 the political federation of Europe, there are hereby authorized
19 to be appropriated to the President for the fiscal year 1952
20 for carrying out the provisions and accomplishing the policies
21 and purpose of this Act—

22 (1) not to exceed \$5,028,000,000 for assistance
23 pursuant to the provisions of the Mutual Defense
24 Assistance Act of 1949, as amended (22 U. S. C.
25 1571-1604), for countries which are parties to the

1 North Atlantic Treaty and for any country of Europe
2 (other than a country covered by another title of this
3 Act), which the President determines to be of direct
4 importance to the defense of the North Atlantic area
5 and whose increased ability to defend itself the Presi-
6 dent determines is important to the preservation of the
7 peace and security of the North Atlantic area and to
8 the security of the United States. In addition, unex-
9 pended balances of appropriations heretofore made for
10 carrying out the purposes of the Mutual Defense Assis-
11 tance Act of 1949, as amended, through assistance
12 to any of the countries covered by this paragraph are
13 hereby authorized to be continued available through
14 June 30, 1952, and to be consolidated with the appro-
15 priation authorized by this paragraph.

16 (2) not to exceed \$1,335,000,000 for assistance
17 pursuant to the provisions of the Economic Coopera-
18 tion Act of 1948, as amended (22 U. S. C. 1501-1522)
19 (including assistance to further European military pro-
20 duction), for any country of Europe covered by para-
21 graph (1) of this subsection and for any other country
22 covered by section 103 (a) of the said Economic Co-
23 operation Act of 1948, as amended. In addition, un-
24 expended balances of appropriations heretofore made
25 for carrying out the purposes of the Economic Coopera-

tion Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this subsection: *Provided*, That not to exceed \$30,000,000 of the funds made available pursuant to this subsection may be utilized to effectuate the purposes of section 115 (e) of the Economic Cooperation Act of 1948, as amended.

(b) Not to exceed 5 per centum of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purposes of this Act, between appropriations granted pursuant to either paragraph of subsection (a): *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.

TITLE II—NEAR EAST AND AFRICA

SEC. 201. In order to further the purpose of this Act by continuing to provide military assistance to

1 Greece, Turkey, and Iran, there are hereby authorized
2 to be appropriated to the President for the fiscal year
3 1952, not to exceed \$415,000,000 for furnishing assistance
4 to Greece and Turkey pursuant to the provisions of the Act
5 of May 22, 1947, as amended (22 U. S. C. 1401-1410),
6 and for furnishing assistance to Iran pursuant to the pro-
7 visions of the Mutual Defense Assistance Act of 1949, as
8 amended (22 U. S. C. 1571-1604). In addition, un-
9 expended balances of appropriations heretofore made for
10 assistance to Greece and Turkey, available for the fiscal
11 year 1951, pursuant to the Act of May 22, 1947, as amended,
12 and for assistance to Iran pursuant to the Mutual Defense
13 Assistance Act of 1949, as amended, are hereby authorized
14 to be continued available through June 30, 1952, and to be
15 consolidated with the appropriation authorized by this
16 section.

17 SEC. 202. Whenever the President determines that such
18 action is essential for the purpose of this Act, he may provide
19 assistance, pursuant to the provisions of the Mutual Defense
20 Assistance Act of 1949, as amended, to any country of the
21 Near East area (other than those covered by section 201)
22 and may utilize not to exceed 10 per centum of the amount
23 made available (excluding balances of prior appropriations
24 continued available) pursuant to section 201 of this Act:
25 *Provided*, That any such assistance may be furnished only

1 upon determination by the President that (1) the strategic
2 location of the recipient country makes it of direct importance
3 to the defense of the Near East area, (2) such assistance is
4 of critical importance to the defense of the free nations, and
5 (3) the immediately increased ability of the recipient country
6 to defend itself is important to the preservation of the peace
7 and security of the area and to the security of the United
8 States.

9 SEC. 203. In order to further the purpose of this Act in
10 Africa and the Near East, there are hereby authorized to be
11 appropriated to the President, for the fiscal year 1952, not
12 to exceed \$175,000,000 for economic and technical assistance
13 in Africa and the Near East in areas other than those covered
14 by section 103 (a) of the Economic Cooperation Act of
15 1948, as amended (22 U. S. C. 1502). Funds appropriated
16 pursuant to this section shall be available under the applicable
17 provisions of the Economic Cooperation Act of 1948, as
18 amended (22 U. S. C. 1501-1522), and of the Act for
19 International Development (22 U. S. C. 1557).

20 SEC. 204. Not to exceed \$50,000,000 of the funds
21 authorized under section 203 hereof may be contributed to
22 the United Nations during the fiscal year 1952, for the pur-
23 poses, and under the provisions, of the United Nations
24 Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556):
25 *Provided*, That, whenever the President shall determine

1 that it would more effectively contribute to the purposes of
2 the said United Nations Palestine Refugee Aid Act of 1950,
3 he may allocate any part of such funds to any agency of
4 the United States Government to be utilized in furtherance
5 of the purposes of said Act: *Provided further*, That no
6 amount may be so allocated unless it will be credited by the
7 United Nations as part of the United States contribution to
8 the United Nations Palestine Refugee Agency.

9 SEC. 205. In order to assist in the relief of refugees
10 coming into Israel, not to exceed \$50,000,000 of the funds
11 authorized under section 203 hereof may be utilized during
12 the fiscal year 1952, under such terms and conditions as
13 the President may prescribe, for specific refugee relief and
14 resettlement projects in Israel.

15 TITLE III—ASIA AND PACIFIC

16 SEC. 301. In order to carry out in the general area of
17 China (including the Republic of the Philippines and the
18 Republic of Korea) the provisions of subsection (a) of
19 section 303 of the Mutual Defense Assistance Act of 1949,
20 as amended (22 U. S. C. 1604 (a)), there are hereby
21 authorized to be appropriated to the President for the fiscal
22 year 1952, not to exceed \$530,000,000. In addition, unex-
23 pended balances of appropriations heretofore made for carry-
24 ing out the provisions of title III of the Mutual Defense
25 Assistance Act of 1949, as amended (22 U. S. C. 1602—

1 1604), are hereby authorized to be continued available
2 through June 30, 1952, and to be consolidated with the
3 appropriation authorized by this section. Not to exceed
4 \$50,000,000 of funds appropriated pursuant to this section
5 (excluding balances of appropriations continued available)
6 may be accounted for as provided in subsection (a) of said
7 section 303.

8 SEC. 302. (a) In order to further the purpose of this
9 Act through the strengthening of the area covered in section
10 301 of this Act (but not including the Republic of Korea),
11 there are hereby authorized to be appropriated to the Presi-
12 dent, for the fiscal year 1952, not to exceed \$237,500,000
13 for economic and technical assistance in those portions of
14 such area which the President deems to be not under Com-
15 munist control. Funds appropriated pursuant to authority
16 of this section shall be available under the applicable pro-
17 visions of the Economic Cooperation Act of 1948, as
18 amended, and of the Act for International Development
19 (22 U. S. C. 1557). In addition, unexpended balances of
20 funds heretofore made available for carrying out the purposes
21 of the China Area Aid Act of 1950 (22 U. S. C. 1547), are
22 hereby authorized to be continued available through June
23 30, 1952, and to be consolidated with the appropriation
24 authorized by this section.

25 (b) The third proviso of section 202 of the China Area

1 Aid Act of 1950 is amended by inserting "and of Korea"
2 after "selected citizens of China" each time it appears therein.

3 SEC. 303. (a) In order to provide for the United States
4 contribution to the United Nations Korean Reconstruction
5 Agency, established by the resolution of the General As-
6 sembly of the United Nations of December 1, 1950, there are
7 hereby authorized to be appropriated to the President not to
8 exceed \$11,250,000. In addition, unobligated balances of
9 the appropriations heretofore made, and available during the
10 fiscal year 1951, for assistance to Korea under authority of
11 the Far Eastern Economic Assistance Act of 1950, as
12 amended (22 U. S. C. 1543, 1551, 1552), are hereby
13 authorized to be continued available through June 30, 1952,
14 and to be consolidated with the appropriation authorized by
15 this section.

16 (b) The sums made available pursuant to subsection
17 (a) may be contributed from time to time on behalf of the
18 United States in such amounts as the President determines to
19 be appropriate to support those functions of the United
20 Nations Korean Reconstruction Agency which the military
21 situation in Korea permits the Agency to undertake pursuant
22 to arrangements between the Agency and the United Nations
23 Unified Command. The aggregate amount which may be
24 contributed on behalf of the United States pursuant to the

1 preceding sentence shall be reduced by the value of goods
2 and services made available to Korea by any department
3 or agency of the United States for relief and economic assist-
4 ance after the assumption of responsibility for relief and
5 rehabilitation operations in Korea by the United Nations
6 Korean Reconstruction Agency.

7 (c) The provisions of subsections 304 (a) and (b) of
8 the United Nations Palestine Refugee Aid Act of 1950 (22
9 U. S. C. 1556 (b)) are hereby made applicable with respect
10 to Korean assistance furnished under this section.

11 (d) Unencumbered balances of sums heretofore or here-
12 after deposited in the special account established pursuant
13 to paragraph (2) of article V of the agreement of December
14 10, 1948, between the United States of America and the
15 Republic of Korea (62 Stat., part 3, 3788) shall be used
16 in Korea for such purposes as the President determines
17 to be consistent with United Nations programs for assistance
18 to Korea and as may be agreed to between the Government
19 of the United States and the Republic of Korea.

20 TITLE IV—AMERICAN REPUBLICS

21 SEC. 401. In order to further the purpose of this
22 Act through the furnishing of military assistance to the
23 other American Republics, there are hereby authorized to
24 be appropriated to the President, for the fiscal year 1952,

1 not to exceed \$40,000,000 for carrying out the purposes of
2 this section under the provisions of the Mutual Defense
3 Assistance Act of 1949, as amended: *Provided*, That such
4 assistance may be furnished only in accordance with defense
5 plans which are found by the President to require the re-
6 cipient country to participate in missions important to the
7 defense of the Western Hemisphere. Any such assistance
8 shall be subject to agreements, as provided herein and as
9 required by section 402 of the Mutual Defense Assistance
10 Act of 1949, as amended (22 U. S. C. 1573), designed to
11 assure that the assistance will be used to promote the de-
12 fense of the Western Hemisphere; and after agreement by
13 the Government of the United States and the country con-
14 cerned with respect to such missions, military assistance
15 hereunder shall be furnished only in accordance with such
16 agreement.

17 SEC. 402. In order to further the purpose of this Act
18 among the peoples of the American Republics through the
19 furnishing of technical assistance, there are hereby author-
20 ized to be appropriated to the President, for the fiscal year
21 1952, not to exceed \$22,000,000 for assistance under the
22 provisions of the Act for International Development (22
23 U. S. C. 1557) and of the Institute of Inter-American
24 Affairs Act, as amended (22 U. S. C. 281).

1 TITLE V—ORGANIZATION AND
2 ADMINISTRATION

3 MUTUAL SECURITY ADMINISTRATION

4 SEC. 501. (a) There is hereby established, with its
5 principal office at the seat of the Government, an agency to
6 be known as the Mutual Security Administration, herein-
7 after referred to as the Administration. The Administration
8 shall be headed by a Mutual Security Administrator, here-
9 inafter referred to as the Administrator, who shall be ap-
10 pointed by the President, by and with the advice and con-
11 sent of the Senate, and who shall be responsible to the
12 President. The Administrator shall have a status in the
13 executive branch of the Government comparable to that of
14 the head of an executive department, and shall receive com-
15 pensation at the same rate.

16 (b) There shall be in the Administration a Deputy
17 Mutual Security Administrator who shall be appointed by
18 the President, by and with the advice and consent of the
19 Senate, and shall receive compensation at the same rate as
20 that payable to an Under Secretary of an executive depart-
21 ment. The Deputy Mutual Security Administrator shall
22 perform such functions as the Administrator shall designate,
23 and shall be Acting Mutual Security Administrator during
24 the absence or disability of the Administrator or in the event
25 of a vacancy in the office of Administrator.

1 (c) Officers, employees, agents, and attorneys may be
2 employed by the Administrator for duty within the con-
3 tinental limits of the United States in accordance with the
4 provisions of the civil service laws and the Classification
5 Act of 1949, as amended, except that, of such personnel,
6 not to exceed one hundred may be compensated at rates
7 higher than those provided for grade 15 of the General
8 Schedule established by the Classification Act of 1949, as
9 amended, and of these, not to exceed twenty-five may be
10 compensated at a rate in excess of the highest rate provided
11 for grades of such General Schedule, but not in excess of
12 \$15,000 per annum. Such one hundred positions shall be
13 in addition to the number authorized by section 505 of the
14 Classification Act of 1949, as amended.

15 (d) Persons employed for duty outside the continental
16 limits of the United States and officers and employees of the
17 United States Government assigned for such duty, may
18 receive compensation at any of the rates provided for the
19 Foreign Service Reserve and Staff by the Foreign Service
20 Act of 1946 (22 U. S. C. 801-1158), as amended, may
21 receive allowances and benefits not in excess of those estab-
22 lished thereunder, and may be appointed to any class in the
23 Foreign Service Reserve or Staff in accordance with the
24 provisions of such Act, and assigned to duties for the
25 Administrator.

1 (e) Alien clerks and employees employed for the pur-
2 pose of performing functions under this Act shall be em-
3 ployed in accordance with the provisions of the Foreign
4 Service Act of 1946, as amended.

5 (f) Whenever the President determines it to be con-
6 sistent with and in furtherance of the purpose of this Act,
7 the head of any Government agency is authorized to—

8 (1) detail or assign any officer or employee of his
9 agency to any office or position to which no compensa-
10 tion is attached with any foreign government or foreign
11 government agency: *Provided*, That such acceptance of
12 office shall in no case involve the taking of an oath of
13 allegiance to another government; and

14 (2) detail, assign, or otherwise make available to
15 any international organization in which the United States
16 participates, any officer or employee of his agency to
17 serve with or as a member of the international staff of
18 such organizations.

19 Any such officer or employee, while so assigned or detailed,
20 shall be considered, for the purpose of preserving his privi-
21 leges, rights, seniority, or other benefits as such, an officer
22 or employee of the Government of the United States and
23 of the Government agency from which assigned or detailed,
24 and he shall continue to receive compensation, allowances,

1 and benefits from funds made available to that agency out
2 of funds authorized under this Act.

3 (g) Experts and consultants or organizations thereof
4 may be employed as authorized by section 15 of the Act of
5 August 2, 1946 (5 U. S. C. 55a), and individuals so em-
6 ployed may be compensated at a rate not in excess of \$50
7 per diem.

8 (h) No citizen or resident of the United States may be
9 employed, or if already employed, may be assigned to duties
10 by the Administrator or the Secretary of State under this
11 Act for a period to exceed three months unless (1) such
12 individual has been investigated as to loyalty and security
13 by the Federal Bureau of Investigation and a report thereon
14 has been made to the Administrator and the Secretary of
15 State, and until the Administrator or the Secretary of State
16 has certified in writing (and filed copies thereof with the
17 Senate Committee on Foreign Relations and the House Com-
18 mittee on Foreign Affairs) that, after full consideration of
19 such report, he believes such individual is loyal to the United
20 States, its Constitution, and form of government, and is not
21 now and has never been a member of any organization advo-
22 cating contrary views; or (2) such individual has been
23 investigated by a military intelligence agency and the Sec-
24 retary of Defense has certified in writing that he believes

1 such individual is loyal to the United States and filed copies
2 thereof with the Senate Committee on Foreign Relations
3 and the House Committee on Foreign Affairs. This subsec-
4 tion shall not apply in the case of any officer appointed by
5 the President by and with the advice and consent of the
6 Senate, nor shall it apply in the case of any officer or em-
7 ployee previously investigated and certified.

8 GENERAL FUNCTIONS OF ADMINISTRATOR

9 SEC. 502. (a) Except as otherwise provided in this
10 Act, there shall be transferred to the Administrator the
11 powers and functions conferred upon—

12 (1) the Administrator for Economic Cooperation by
13 the Economic Cooperation Act of 1948, as amended,
14 and the Far Eastern Economic Assistance Act of 1950,
15 as amended;

16 (2) the Secretary of State under the Institute of
17 Inter-American Affairs Act; and

18 (3) the President by the Mutual Defense Assistance
19 Act of 1949, as amended, the Act for International
20 Development, and the Act of May 22, 1947, as amended,
21 except the power to conclude international agreements,
22 the power to make appointments by and with the advice
23 and consent of the Senate, such other powers as the
24 President may reserve to himself or delegate to the
25 Secretary of Defense, and the powers enumerated in

1 section 408 (c) of the Mutual Defense Assistance Act
2 of 1949, as amended.

3 (b) The following agencies and offices shall cease to
4 exist:

5 (1) The Economic Cooperation Administration and the
6 offices of Administrator and Deputy Administrator for Eco-
7 nomic Cooperation;

8 (2) The office of United States Special Representative
9 in Europe and of Deputy United States Special Representa-
10 tive in Europe created by the Economic Cooperation Act of
11 1948, as amended;

12 (3) The office created by section 413 (a) of the Act for
13 International Development;

14 (4) The offices created by section 406 (e) of the Mutual
15 Defense Assistance Act of 1949, as amended.

16 (c) Any personnel, upon the certification of the Ad-
17 ministrator and with the approval of the Director of the
18 Bureau of the Budget that such personnel are necessary to
19 carry out the functions of the Administrator, and all records
20 and property which the Director of the Bureau of the Budget
21 determines are used primarily in the administration of the
22 powers and functions transferred to the Administrator by this
23 Act, shall be transferred to the Mutual Security Admin-
24 istration.

1 SEC. 503. In order to strengthen and make more effec-
2 tive the conduct of the foreign relations of the United States,
3 and to carry out the purpose of this Act—

4 (a) the Secretary of State, the Administrator, and
5 the Secretary of Defense shall keep each other fully and
6 currently informed on matters, including prospective
7 action, arising within the scope of their respective duties
8 which are pertinent to the duties of the other;

9 (b) whenever the Secretary of State believes that
10 any action, proposed action, or failure to act on the part
11 of the Administrator is inconsistent with the foreign-
12 policy objectives of the United States, he shall consult
13 with the Administrator and, if differences of view are
14 not adjusted by consultation, the matter shall be referred
15 to the President for final decision;

16 (c) whenever the Secretary of Defense believes that
17 any action, proposed action, or failure to act on the
18 part of the Administrator is inconsistent with the military
19 security objectives of the United States, he shall consult
20 with the Administrator and, if differences of view are not
21 adjusted by consultation, the matter shall be referred to
22 the President for final decision; and

23 (d) whenever the Administrator believes that any
24 action, proposed action, or failure to act on the part of
25 the Secretary of State or the Secretary of Defense in

performing functions under this Act, is inconsistent with the purpose and provisions of this Act, he shall consult with the Secretary of State and the Secretary of Defense as appropriate and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

MEMBERSHIP IN OTHER AGENCIES

SEC. 504. (a) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (59 Stat. 512), is amended by striking out "Economic Cooperation Administration" and inserting in lieu thereof "Mutual Security Administration" and by striking out "Administrator for Economic Cooperation" and inserting in lieu thereof "Mutual Security Administrator".

(b) Clause (6) of the fourth paragraph of section 101 (a) of Public Law 253, Eightieth Congress, as amended, is hereby further amended by inserting after "Munitions Board," the following: "the Mutual Security Administrator so long as the Mutual Security Administration shall continue to exist,".

PUBLIC ADVISORY BOARDS

SEC. 505. (a) The Boards provided for by section 107 of the Economic Cooperation Act, as amended, and by section 409 of the Act for International Development shall advise and consult with the Mutual Security Administrator.

1 (b) The Administrator may appoint such other advisory
2 committees as he may determine to be necessary or desirable
3 to effectuate the purpose of this Act.

4 REGIONAL MUTUAL SECURITY REPRESENTATIVES

5 SEC. 506. (a) There shall be a United States Mutual
6 Security Representative in Europe who shall (1) be ap-
7 pointed by the President, by and with the advice and consent
8 of the Senate, (2) be entitled to receive the same compensa-
9 tion and allowances as a chief of mission, class 1, within the
10 meaning of the Act of August 13, 1946 (22 U. S. C. 801-
11 1158), and (3) have the rank of ambassador extraordinary
12 and plenipotentiary. He shall be the representative of the
13 Administrator and receive his instructions from him, and such
14 instructions shall be prepared and transmitted to him in
15 accordance with procedures agreed to among the Adminis-
16 trator, the Secretary of State, and the Secretary of Defense
17 in order to assure appropriate coordination as provided by
18 section 503 of this title. He shall coordinate the activities
19 of the chiefs of such special missions provided for in section
20 507 of this title as may be placed under his jurisdiction by
21 the Administrator. He shall keep the Administrator, the
22 Secretary of State, the Secretary of Defense, the chiefs of the
23 United States diplomatic missions, and the chiefs of the
24 special missions provided for herein fully and currently in-
25 formed concerning his activities. He shall consult with the

1 chiefs of all such missions, who shall give him such coopera-
2 tion as he may require for the performance of his duties
3 under this title.

4 (b) There shall be a Deputy United States Mutual
5 Security Representative in Europe who shall (1) be ap-
6 pointed by the President, by and with the advice and con-
7 sent of the Senate; (2) be entitled to receive the same
8 compensation and allowances as a chief of mission, class 3,
9 within the meaning of the Act of August 13, 1946; and (3)
10 have the rank of ambassador extraordinary and plenipoten-
11 tiary. The Deputy shall perform such functions as the United
12 States Mutual Security Representative in Europe shall des-
13 ignate, and shall be Acting United States Mutual Security
14 Representative in Europe during the absence or disability, or,
15 in the event of a vacancy in the office, of the Representative.

16 (c) The Deputy United States Representative North
17 Atlantic Council and the United States Mutual Security
18 Representative in Europe shall keep each other fully and
19 currently informed concerning their activities.

20 (d) When necessary to carry out the purpose of this
21 Act, the President is authorized to appoint not more than
22 three additional Mutual Security Representatives for other
23 regions in accordance with the applicable provisions of sub-
24 section (a) of this section. Any Mutual Security Repre-

1 sentative appointed pursuant to this section shall be entitled
2 to receive the same rank, compensation, and allowances as
3 the highest ranking chief of any United States diplomatic
4 mission in the region.

5 SPECIAL MUTUAL SECURITY MISSIONS ABROAD

6 SEC. 507. (a) Except as provided in subsection (e)
7 of this section, the Administrator may establish in each coun-
8 try receiving assistance under this Act a special mutual se-
9 curity mission under the direction of a chief who shall be
10 responsible for assuring the performance within such country
11 of operations under this Act. The chief shall be appointed
12 by the Administrator, shall receive his instructions from the
13 Administrator, and shall report to the Administrator on the
14 performance of the duties assigned to him. The chief of the
15 special mission shall take rank immediately after the chief of
16 the United States diplomatic mission in such country; and
17 the chief of the special mission shall be entitled to receive
18 the same compensation and allowances as a chief of mission,
19 class 3, or a chief of mission, class 4, within the meaning
20 of the Act of August 13, 1946, or compensation and allow-
21 ances in accordance with section 501 (d) of this Act, as the
22 Administrator shall determine to be necessary or appropriate.

23 (b) The chief of the special mission shall keep the chief
24 of the United States diplomatic mission fully and currently
25 informed on matters, including prospective action, arising

1 within the scope of the operations of the special mission and
2 the chief of the diplomatic mission shall keep the chief of the
3 special mission fully and currently informed on matters rela-
4 tive to the conduct of the duties of the chief of the special
5 mission. The chief of the United States diplomatic mission
6 will be responsible for assuring that the operations of the
7 special mission are consistent with the foreign-policy objec-
8 tives of the United States in such country, and to that end
9 whenever the chief of the United States diplomatic mission
10 believes that any action, proposed action, or failure to act on
11 the part of the special mission is inconsistent with such
12 foreign-policy objectives, he shall so advise the chief of the
13 special mission and the United States Mutual Security
14 Representative. If differences of view are not adjusted by
15 consultation, the matter shall be referred to the Secretary of
16 State and the Administrator for decision.

17 (c) With the approval of the Secretary of State the
18 Administrator may, if he deems it appropriate, direct that
19 the functions of the chief or deputy chief of the special mission
20 in any country be assumed by the chief of the United States
21 diplomatic mission or any other member of the mission in that
22 country. The member of the mission so designated shall
23 report to the Administrator, and shall receive directions
24 from him, with respect to carrying out functions relating to
25 the purpose of this Act.

(d) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Mutual Security Representatives and their staffs, and for each special mission, as may be agreed between the Secretary of State and the Administrator.

(e) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purpose of this Act.

ELIGIBILITY FOR ASSISTANCE

14 SEC. 508. (a) No military, economic, or technical as-
15 sistance (other than assistance provided under section 408
16 (e) of the Mutual Defense Assistance Act of 1949, as
17 amended) shall be supplied to any nation in order to further
18 military effort unless the Administrator finds that the supply-
19 ing of such assistance will strengthen the security of the
20 United States and unless the recipient country has agreed to
21 join in promoting and maintaining world peace and to take
22 such action as may be mutually agreed upon to eliminate
23 causes of international tension. Such agreements shall in-
24 clude appropriate provisions for such country to—

25 (1) fulfill the military obligations which it has as-

sumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(2) make, consistent with its political stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world; and

(3) adopt all reasonable military, economic, and security measures which may be needed to develop its defense capacities and to insure the effective utilization of the economic and military assistance provided by the United States.

(b) No economic or technical assistance shall be supplied to any other nation unless the Administrator finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

RESPONSIBILITIES OF SECRETARY OF DEFENSE

SEC. 509. In the case of aid under this Act for military items and related technical assistance and advice, the Secretary of Defense shall procure and furnish such military

1 items and related technical assistance and advice: *Provided*,
2 That the Secretary of Defense, after consultation with the
3 Joint Chiefs of Staff and the Administrator, shall determine
4 the priority in which military items shall be allocated. Not-
5 withstanding any other provision of law, during the fiscal
6 year 1952 the Secretary of Defense may furnish (with or
7 without reimbursement from the President) all or part of
8 such military items out of the materials of war whose pro-
9 duction in the United States shall have been authorized for,
10 and appropriated to, the Department of Defense: *Provided*,
11 *however*, That nothing in this Act shall authorize the furnish-
12 ing of military items under this section in excess of 11 per
13 centum of the aggregate dollar value of the materials of war
14 whose production in the United States shall have been
15 authorized for, and appropriated to, the Department of De-
16 fense for the three-year period beginning July 1, 1950.
17 For the purposes of this section, (1) "value" shall be deter-
18 mined in accordance with section 402 (c) of the Mutual
19 Defense Assistance Act of 1949, and (2) the term "mate-
20 rials of war" means those goods, commonly known as mili-
21 tary items, which are required for the performance of their
22 missions by armed forces of a nation, including weapons,
23 military vehicles, ships of war under fifteen hundred tons,
24 aircraft, military communications equipment, ammunition,
25 maintenance parts and spares, and military hardware.

TERMINATION OF ASSISTANCE

1 SEC. 510. (a) After June 30, 1954, or after the date
2 of the passage of a concurrent resolution by the two Houses
3 of Congress before such date, none of the authority conferred
4 on the Administrator by this Act may be exercised; except
5 that during the twelve months following such date commodi-
6 ties and services with respect to which the Administrator
7 had, prior to such date, authorized procurement for, ship-
8 ment to, or delivery in a participating country, may be trans-
9 ferred to such country, and funds appropriated under au-
10 thority of this Act may be obligated during such twelve-
11 month period for the necessary expenses of procurement,
12 shipment, delivery, and other activities essential to such
13 transfer and shall remain available during such period for
14 the necessary expenses of liquidating operations under this
15 Act: *Provided*, That nothing in this Act shall be deemed to
16 extend the period during which any powers under the Eco-
17 nomic Cooperation Act of 1948, as amended, may be exer-
18 cised beyond the date specified for its termination by section
19 122 of that Act.

21 (b) At such time as the President shall find appro-
22 priate after such date, and prior to the expiration of the
23 twelve months following such date, the powers, duties, and
24 authority of the Administrator under this Act may be trans-
25 ferred to such other departments, agencies, or establishments

1 of the Government as the President shall specify, and the
2 relevant funds, records, and personnel of the Administration
3 may be transferred to the departments, agencies, or estab-
4 lishments to which the related functions are transferred.

5 TERMINATION OF ASSISTANCE BY PRESIDENT

6 SEC. 511. If the President determines that the furnish-
7 ing of assistance to any nation—

8 (1) is no longer consistent with the national interest
9 or security of the United States or the policies and pur-
10 pose of this Act; or

11 (2) would contravene a decision of the Security
12 Council of the United Nations; or

13 (3) would be inconsistent with the principle that
14 members of the United Nations should refrain from giv-
15 ing assistance to any nation against which the Security
16 Council or the General Assembly has recommended
17 measures in case of a threat to, or breach of, the peace,
18 or act of aggression,

19 he shall terminate all or part of any assistance furnished pur-
20 suant to this Act. The function conferred herein shall be in
21 addition to all other functions heretofore conferred with re-
22 spect to the termination of military, economic, or technical
23 assistance.

EFFECTIVE DATE

1
2 SEC. 512. All provisions of this Act except subsections
3 (a), (b), and (c) of section 502, and sections 615, 617
4 (3), and 618, shall take effect upon the date of its enact-
5 ment. Subsections (a), (b), and (c) of section 502, and
6 sections 615, 617 (3), and 618 shall take effect on such date,
7 not more than sixty days after the date the Administrator
8 first appointed takes office, as the President shall prescribe.

THE SECRETARY OF STATE

9
10 SEC. 513. Nothing contained in this Act shall be con-
11 strued to infringe upon the powers or functions of the
12 Secretary of State.

TITLE VI—GENERAL PROVISIONS

13
14 SEC. 601. In order to carry out the purpose of this Act,
15 with respect to those countries eligible to receive assistance
16 as provided herein, funds shall be available as authorized and
17 appropriated to the President each fiscal year.

18 SEC. 602. Whenever the President determines it to
19 be necessary for the purpose of this Act, not to exceed
20 10 per centum of the funds made available under any title
21 of this Act may be transferred to and consolidated with
22 funds made available under any other title of this Act in
23 order to furnish, to a different area, assistance of the kind

1 for which such funds were available before transfer. When-
2 ever the President makes any such determination, he shall
3 forthwith notify the Committee on Foreign Relations of
4 the Senate and the Committee on Foreign Affairs of the
5 House of Representatives. In the case of the transfer of
6 funds available for military purposes, he shall also forthwith
7 notify the Committees on Armed Services of the Senate and
8 House of Representatives.

9 SEC. 603. In order to promote the increased production,
10 in areas covered by this Act, of materials in which the
11 United States is deficient, there are hereby authorized to
12 be appropriated to the President for the fiscal year 1952
13 not to exceed \$55,000,000 to be used pursuant to the author-
14 ity contained in the Economic Cooperation Act of 1948, as
15 amended (22 U. S. C. 1501-1522).

16 SEC. 604. The Administrator shall require all countries
17 participating in any United States aid program or in any
18 international organization receiving United States aid to so
19 deposit, segregate, or assure title to all funds or property
20 allocated to or derived from any program so that the same
21 shall not be subject to garnishment, attachment, seizure, or
22 other legal process by any person, firm, agency, corporation,
23 organization, or government.

24 SEC. 605. (a) In order to bring about the availability
25 of international resources to further the purpose of this Act

1 and to reduce requirements for assistance under this Act,
2 the Administrator shall ascertain through the National Ad-
3 visory Council on International Monetary and Financial
4 Problems whether there can be established, and to make
5 recommendations to the Congress on the establishment of,
6 organizations or corporations affiliated with the International
7 Bank for Reconstruction and Development to assist in financ-
8 ing, where adequate financing is not otherwise available on
9 reasonable terms, essential public works and productive enter-
10 prises in economically underdeveloped areas.

11 (b) The Administrator is requested to recommend to the
12 Congress such action as will in his judgment be desirable
13 to eliminate the barriers to, and provide incentives for, a
14 steadily increased participation of private enterprise in de-
15 veloping the resources of foreign countries consistent with
16 the policies of this Act. The Secretary of State is requested
17 to undertake, after consultation with the Administrator and
18 the Secretary of the Treasury, negotiations with the repre-
19 sentatives of foreign governments looking to the early removal
20 of such obstacles and barriers as now exist to the maximum
21 participation of private enterprise in such development.

22 SEC. 606. (a) As used in this section—

23 (1) the term “invention” means an invention or
24 discovery covered by a patent issued by the United
25 States, and

1 (2) the term "information" means information
2 originated by or peculiarly within the knowledge of the
3 owner thereof and those in privity with him, which is
4 not available to the public and is subject to protection
5 as property under recognized legal principles.

6 (b) Whenever, in connection with the furnishing of
7 military assistance in furtherance of the purpose of this
8 Act—

9 (1) use within the United States, without authori-
10 zation by the owner, shall be made of an invention, or

11 (2) damage to the owner shall result from the dis-
12 closure of information by reason of acts of the United
13 States or its officers or employees,

14 the exclusive remedy of the owner of such invention or
15 information shall be by suit against the United States in the
16 Court of Claims for reasonable and entire compensation for
17 unauthorized use or disclosure. In any such suit the United
18 States may avail itself of any and all defenses, general or
19 special, that might be pleaded by any defendant in a like
20 action.

21 (c) Before such suit against the United States has been
22 instituted, the head of the appropriate department or agency
23 of the Government, which has furnished military assistance
24 in furtherance of the purpose of this Act, is authorized and
25 empowered to enter into an agreement with the claimant,

1 in full settlement and compromise of any claim against the
2 United States hereunder.

3 (d) This section shall not confer a right of action on
4 anyone or his successor or assignee who, when he makes
5 such a claim, is in the employment or service of the United
6 States, or who, while in the employment or service of the
7 United States, discovered, invented, or developed any inven-
8 tion or information on which such claim is based.

9 (e) Except as otherwise provided by law, no recovery
10 shall be had for any infringement of a patent committed
11 more than six years prior to the filing of the complaint or
12 counterclaim for infringement in the action, except that the
13 period between the date of receipt by the Government of a
14 written claim under subsection (c) above for compensa-
15 tion for infringement of a patent and the date of mailing by
16 the Government of a notice to the claimant that his claim
17 has been denied shall not be counted as part of the six years,
18 unless suit is brought before the last-mentioned date.

19 SEC. 607. Notwithstanding any of the provisions of the
20 Defense Production Act of 1950, as amended—

21 (1) The Administrator shall have responsibility for
22 representing, before the authorities in the executive
23 branch of the Government charged with the administra-
24 tion of title I of such Act, the needs of all countries
25 receiving assistance under this Act, and of such other

1 countries as the President may direct, for United States
2 materials and facilities.

3 (2) Whenever allocations under such Act of United
4 States materials and facilities for foreign countries re-
5 ceiving assistance under this Act, and for foreign assist-
6 ance programs in such countries, are made on an over-
7 all, and not on a country-by-country, basis, the Adminis-
8 trator shall have the authority and responsibility of
9 apportioning, among such countries, the United States
10 materials and facilities so allocated.

11 SEC. 608. The President, from time to time while funds
12 appropriated for the purpose of this Act continue to be
13 available for obligation, shall transmit to the Congress, in
14 lieu of any reports otherwise required by law, reports cover-
15 ing each six months of operations in furtherance of the pur-
16 pose of this Act, except information the disclosure of which
17 he deems incompatible with the security of the United States.
18 The first such report shall cover the six-month period com-
19 mencing on the date this Act becomes effective. Reports
20 provided for under this section shall be transmitted to the
21 Secretary of the Senate or the Clerk of the House of Repre-
22 sentatives, as the case may be, if the Senate or the House of
23 Representatives, as the case may be, is not in session.

24 SEC. 609. (a) Upon a determination by the Admini-
25 strator that it will further the purpose of this Act, not to

1 exceed \$10,000,000 of the funds made available pursuant
2 to section 203 of this Act and not to exceed \$25,000,000
3 of funds made available pursuant to section 302 of this Act
4 may be advanced to countries covered by said sections in
5 return for equivalent amounts of the currency of such coun-
6 tries being made available to meet local currency needs of
7 the aid programs in such countries pursuant to agreements
8 made in advance with the United States: *Provided*, That
9 except when otherwise prescribed by the Administrator
10 as necessary to the effective accomplishment of the aid pro-
11 grams in such countries, all funds so advanced shall be held
12 under procedures set out in such agreements until used to pay
13 for goods and services approved by the United States or
14 until repaid to the United States for reimbursement to the
15 appropriation from which drawn.

16 (b) In order to assist in carrying out the provisions of
17 the Economic Cooperation Act of 1948, as amended, not
18 to exceed \$50,000,000 of funds made available under the
19 authority of this Act for assistance pursuant to the pro-
20 visions of the Economic Cooperation Act of 1948, as
21 amended (22 U. S. C. 1501-1522), may be used to acquire
22 local currency for the purpose of increasing the production
23 of materials in which the United States is deficient.

24 SEC. 610. Funds realized from the sales of notes pur-
25 suant to section 111 (c) (2) of the Economic Cooperation

1 Act of 1948, as amended, shall be available for making
2 guaranties of investments in accordance with the applicable
3 provisions of sections 111 (b) (3) and 111 (c) (2) of the
4 Economic Cooperation Act, as amended, in any area in
5 which assistance is authorized by this or any other Act to
6 be furnished under any provision of the Economic Coopera-
7 tion Act of 1948, as amended.

8 SEC. 611. Funds made available for carrying out the
9 provisions of title I of this Act shall be available for the
10 administrative expenses of carrying out the purposes of all
11 of the titles of this Act, including expenses incident to United
12 States participation in international security organizations
13 and expenses in the United States in connection with pro-
14 grams authorized under the Act for International Develop-
15 ment. Any currency of any nation received by the United
16 States for its own use in connection with assistance furnished
17 by the United States may be used by any agency of the
18 Government without reimbursement from any appropriation
19 for the administrative and operating expenses of carrying out
20 the purpose of this Act. Funds made available for carrying
21 out the purpose of this Act in the Federal Republic of Ger-
22 many may, as authorized in subsection 114 (h) of the
23 Economic Cooperation Act of 1948, as amended (22 U. S. C.
24 1512 (h)), be transferred by the President to any depart-
25 ment or agency for the expenses necessary to meet the

responsibilities and obligations of the United States in the Federal Republic of Germany.

SEC. 612. The Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), is hereby amended as follows:

(1) In section 111 (c) by adding a new paragraph as follows:

“(3) From the funds made available under authority of the Mutual Security Act of 1951 for assistance to be provided under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), not less than 20 per centum shall be provided on credit terms as specified in that Act.”

(2) In section 115 (b) (6) by—

(A) inserting in the second proviso thereof after “wealth” the following: “for the encouragement of emigration pursuant to subsection (e) of this section”;

(B) adding in the last clause of the second proviso “and operating” after “administrative”;

(C) striking from the last clause of the second proviso “within such country”; and

(D) adding at the end thereof the following new sentences: “The Administrator shall exercise the power granted to him by this paragraph to make agreements with respect to the use of the funds deposited in the

1 special accounts of the 'participating countries' (as de-
2 fined in section 103 (a) hereof) in such a manner that
3 the equivalent of not less than \$500,000,000 of such
4 funds shall be used exclusively for military production in
5 such 'participating countries'. The amount to be de-
6 voted from each such special account for such use shall
7 be agreed upon by the Administrator and the country
8 or countries concerned".

9 SEC. 613. (a) Section 402 of the Mutual Defense
10 Assistance Act of 1949, as amended (22 U. S. C. 1573), is
11 hereby amended by striking out the period at the end thereof
12 and inserting in lieu thereof a semicolon and the following:

13 " (e) Guarantees by such eligible nation that it will
14 not undertake any act of aggression against any other
15 state."

16 (b) Section 408 (e) of the Mutual Defense Assistance
17 Act of 1949, as amended (22 U. S. C. 1580), is hereby
18 amended by adding in the first proviso thereof, after the
19 words "of which it is a part", the words "or in United
20 Nations collective security arrangements and measures",
21 and by changing the figure at the end thereof to
22 "\$500,000,000".

23 SEC. 614. The proviso in the first sentence of section
24 403 (d) of the Mutual Defense Assistance Act of 1949, as
25 amended (22 U. S. C. 1574 (d)), is hereby amended to

1 read as follows: "*Provided*, That after June 30, 1950, such
2 limitation shall be increased by \$250,000,000 and after
3 June 30, 1951, by an additional \$450,000,000".

4 SEC. 615. Section 104, subsections (b) and (c) of sec-
5 tion 105, and sections 108 through 110 of the Economic
6 Cooperation Act of 1948, as amended, are hereby repealed.

7 SEC. 616. (a) In order to effectuate the purpose of sec-
8 tion 136 of the Legislative Reorganization Act of 1946, as
9 amended, the Committee on Foreign Affairs of the House of
10 Representatives is authorized to appoint and, in accordance
11 with the provisions of that Act, fix the compensation of such
12 professional and clerical personnel, in addition to those au-
13 thorized by existing law, as may be necessary to enable the
14 committee to oversee the performance by the executive agen-
15 cies concerned of their duties, responsibilities, and functions
16 under this Act in the interest of an efficient and economical
17 administration of this Act.

18 (b) There are hereby authorized to be appropriated
19 such sums as may be necessary to carry out the provisions
20 of this section, to be disbursed by the Clerk of the House of
21 Representatives on vouchers signed by the chairman.

22 (c) In every country where local currency is made
23 available for local currency expenses of the United States in
24 connection with assistance furnished by the United States,
25 the local currency administrative and operating expenses

1 incurred in fulfilling the purpose of this section shall be
2 charged to such local currency funds to the extent available.

3 SEC. 617. The Act for International Development is
4 amended as follows:

5 (1) By adding before the period at the end of section
6 404 (b) the following: “: *Provided*, That for the fiscal year
7 ending June 30, 1952, such contributions from funds made
8 available under authority of sections 101 (a) (2), 203, 302,
9 and 402 of the Mutual Security Act of 1951 shall not exceed
10 in the aggregate \$13,000,000, and the use of such contribu-
11 tions shall not be limited to the area covered by the section
12 of the Act from which the funds are drawn”.

13 (2) By adding at the end of section 407 a new para-
14 graph:

15 “(d) Participating countries shall be encouraged to
16 negotiate agreements with the United Nations and its special-
17 ized agencies, or otherwise, to establish fair labor standards
18 of wages and working conditions and management-labor re-
19 lations.”

20 (3) By repealing sections 413 and 414.

21 SEC. 618. The Institute of Inter-American Affairs Act
22 is amended as follows:

23 (1) By striking out “Department of State” wherever it
24 occurs in section 5 and inserting in lieu thereof “Mutual
25 Security Administration”; and

1 (2) By amending section 8 to read as follows:

2 “SEC. 8. The Mutual Security Administrator shall have
3 authority to detail employees of the Mutual Security Admin-
4 istration to the Institute under such circumstances and upon
5 such conditions as he may determine, and the Secretary of
6 State, upon the request of the Mutual Security Administrator,
7 may detail employees of the Department of State to the
8 Institue: *Provided*, That any such employee so detailed shall
9 not lose any privileges, rights, or seniority as an employee
10 of the Government by virtue of such detail.”

82ND CONGRESS
1ST SESSION

H. R. 5113

A BILL

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

By Mr. RICHARDS

AUGUST 10, 1951

Referred to the Committee on Foreign Affairs

Clerk for printing and reference to a proper calendar, as follows:

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 404. A bill to provide for the settlement of claims of military personnel and civilian employees of the War Department or of the Army for damage to or loss, destruction, capture, or abandonment of personal property occurring incident to their service; with amendment (Rept. No. 826). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on the Judiciary. H. R. 2176. A bill for the relief of the Fort Pierce Port District; with amendment (Rept. No. 827). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOODWIN: Committee on the Judiciary. S. 652. An act for the relief of Ruth Alice Crawshaw; without amendment (Rept. No. 828). Referred to the Committee of the Whole House.

Mr. RODINO: Committee on the Judiciary. S. 827. An act for the relief of Fred P. Hines; without amendment (Rept. No. 829). Referred to the Committee of the Whole House.

Mr. RODINO: Committee on the Judiciary. S. 1474. An act for the relief of E. C. Browder and Charles Keyton; without amendment (Rept. No. 830). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. House Resolution 319. Resolution for the relief of certain claimants against the United States who suffered personal injuries, property damage, or other loss as a result of the explosion of a munitions truck between Smithfield and Selma, N. C., on March 7, 1942; without amendment (Rept. No. 831). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1128. A bill for the relief of Harvey McFarland; with amendment (Rept. No. 832). Referred to the Committee of the Whole House.

Mr. GOODWIN: Committee on the Judiciary. H. R. 1825. A bill for the relief of Mrs. Sylvia Simonson; with amendment (Rept. No. 833). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1829. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Bolinross Chemical Co., Inc.; without amendment (Rept. No. 834). Referred to the Committee of the Whole House.

Mr. JONAS: Committee on the Judiciary. H. R. 2510. A bill for the relief of Mrs. Beverly Brunell Roth; with amendment (Rept. No. 835). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2546. A bill for the relief of Charles W. Vanderhoop; with amendment (Rept. No. 836). Referred to the Committee of the Whole House.

Mr. JONAS: Committee on the Judiciary. H. R. 2626. A bill for the relief of Christian & Co., Inc., of Pittsburgh, Pa.; with amendment (Rept. No. 837). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2672. A bill for the relief of the law firm of Harrington & Graham; with amendment (Rept. No. 838). Referred to the Committee of the Whole House.

Mr. JONAS: Committee on the Judiciary. H. R. 3128. A bill for the relief of Elaine Dovic; with amendment (Rept. No. 839). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3789. A bill for the relief of Roosevelt Pollard, the General Exchange Insurance Corp., and Fred Warren; without amendment (Rept. No. 840). Referred to the Committee of the Whole House.

Mr. RODINO: Committee on the Judiciary. H. R. 4154. A bill for the relief of the estate of Jake Jones, deceased, without amendment (Rept. No. 841). Referred to the Committee of the Whole House.

Mr. GOODWIN: Committee on the Judiciary. H. R. 4228. A bill for the relief of Mrs. Lorene M. Williams; with amendment (Rept. No. 842). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 4931. A bill for the relief of Lewyt Corp.; without amendment (Rept. No. 843). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 4953. A bill for the relief of Gladys J. McCarthy; with amendment (Rept. No. 844). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RICHARDS:

H. R. 5113. A bill to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security; to the Committee on Foreign Affairs.

By Mr. COLE of New York:

H. R. 5114. A bill to amend the Legislative Reorganization Act of 1946; to the Committee on House Administration.

By Mr. D'EWARD:

H. R. 5115. A bill to extend the time during which the Secretary of the Interior may enter into amendatory repayment contracts under the Federal reclamation laws, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HAGEN:

H. R. 5116. A bill to confer jurisdiction on the Court of Military Appeals to review cases of certain individuals discharged from the Armed Forces under conditions other than honorable; to the Committee on Armed Services.

By Mr. KEOGH:

H. R. 5117. A bill to provide for the refund or credit of the internal-revenue tax paid on spirits lost or rendered unmarketable by reason of the floods of 1951 where such spirits were in the possession of (1) the original taxpayer or rectifier for bottling or use in rectification under Government supervision as provided by law and regulations, or (2) a wholesale or retail liquor dealer; to the Committee on Ways and Means.

By Mr. FORAND:

H. R. 5118. A bill to amend the Social Security Act to provide unemployment insurance for Federal civilian employees, and for other purposes; to the Committee on Ways and Means.

By Mr. BATTLE:

H. R. 5119. A bill providing for the insurance by the Federal Savings and Loan Corporation of membership shares in Federal credit unions; to the Committee on Banking and Currency.

By Mr. FERNÓS-ISERN:

H. R. 5120. A bill to amend the Federal Deposit Insurance Act so as to require the insur-

ance of deposits payable at branches of insured banks in Puerto Rico; to the Committee on Banking and Currency.

By Mr. WIER:

H. J. Res. 313. Joint resolution providing for the establishment of an American National Arts Commission, and for the construction of a theater and opera house in the Nation's Capital, and for other purposes; to the Committee on House Administration.

By Mr. CELLER:

H. J. Res. 314. Joint resolution designating September 17 of each year as "Citizenship Day"; to the Committee on the Judiciary.

By Mr. RODINO:

H. Res. 380. Resolution favoring certain action against the Government of Czechoslovakia unless John Hvasta, citizen of the United States is released from custody; to the Committee on Foreign Affairs.

By Mr. MACHROWICZ:

H. Res. 381. Resolution creating a Select Committee To Investigate the Katyn Forest Massacre; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FERNÓS-ISERN:

H. R. 5121. A bill for the relief of Felix Navedo Ramos; to the Committee on the Judiciary.

By Mr. BEALL:

H. R. 5122. A bill for the relief of Claudio Gandola; to the Committee on the Judiciary.

By Mr. EATON:

H. R. 5123. A bill for the relief of Walter Huva and Lella Huva; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. R. 5124. A bill for the relief of Mrs. Joan H. Smith; to the Committee on the Judiciary.

By Mr. McDONOUGH (by request):

H. R. 5125. A bill for the relief of Fong Wing Chong, also known as Freddie Fong, and Chu Lau Hing, also known as Lana Fong; to the Committee on the Judiciary.

By Mr. MURRAY of Tennessee:

H. R. 5126. A bill for the relief of Lucian Roach, doing business as the Riverside Lumber Co.; to the Committee on the Judiciary.

By Mr. SASSCER:

H. R. 5127. A bill for the relief of Mrs. Eleanor O. Gibson; to the Committee on the Judiciary.

By Mr. SCHWABE:

H. R. 5128. A bill for the relief of Michael Demcheshen; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 5129. A bill for the relief of Jose Vieira Alves De Melo; to the Committee on the Judiciary.

H. R. 5130. A bill for the relief of Leslie A. Connell; to the Committee on the Judiciary.

By Mr. GOODWIN:

H. Res. 383. Resolution providing for sending to the United States Court of Claims the bill (H. R. 3131) for the relief of Raymond B. Jeffrey; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

381. By the SPEAKER: Petition of San Joaquin County Disaster and Defense Council, Stockton, Calif., relative to civil defense funds to assist in the protection of local facilities and bases which are vital to the national defense; to the Committee on Armed Services.

382. Also, petition of Prudencio, Sampaloc, Manila, Philippines, relative to a group of guerrillas known as the Third Sector, Usafe Liberty Crusade with headquarters in the city of Manila; to the Committee on Armed Services.

MUTUAL SECURITY ACT OF 1951

REPORT

OF THE

COMMITTEE ON FOREIGN AFFAIRS

ON

H. R. 5113

A BILL TO MAINTAIN THE SECURITY AND
PROMOTE THE FOREIGN POLICY AND PRO-
VIDE FOR THE GENERAL WELFARE OF THE
UNITED STATES BY FURNISHING ASSISTANCE
TO FRIENDLY NATIONS IN THE INTEREST OF
INTERNATIONAL PEACE AND SECURITY



AUGUST 14, 1951.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed

UNITED STATES

GOVERNMENT PRINTING OFFICE

WASHINGTON : 1951

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Union Calendar No. 272

82D CONGRESS
1st Session

} HOUSE OF REPRESENTATIVES {

REPORT
No. 872

MUTUAL SECURITY ACT OF 1951

AUGUST 14, 1951.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. RICHARDS, from the Committee on Foreign Affairs, submitted the following

R E P O R T

[To accompany H. R. 5113]

The Committee on Foreign Affairs, to whom was referred the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

I. COMMITTEE ACTION

A. SUBMISSION OF PROPOSAL

On May 24, 1951, the President transmitted a message to the Congress recommending the enactment of a Mutual Security Program for the fiscal year 1952 (H. Doc. No. 147, 82d Cong.). In the message an authorization of \$8.5 billion was recommended, \$6.25 billion in military assistance and \$2.25 billion in economic assistance, primarily to support expanded defense efforts abroad and "as another vital step along the road to real security and lasting peace." This was an over-all reduction of \$1.2 billion in the President's original estimate in his budget message of January 15, 1951. No draft legislative proposal accompanied the message, which was referred to the Committee on Foreign Affairs on May 24. On June 5, the executive branch submitted to the committee "basic data" on the proposal, including a draft bill intended to implement the President's proposal. This bill was not introduced in the House.

B. CONSIDERATION OF PROPOSAL

The committee's consideration of the proposed Mutual Security Program began with a preliminary executive session meeting on May 16 with representatives of the Department of State, Department of

Defense, and the Economic Cooperation Administration. Hearings formally opened on June 26 and ended on July 31. The committee hearings consumed a total of 31 days. During this period, 60 sessions were held, 21 open and 39 in executive session; 67 witnesses—governmental and private—were heard. The testimony covers some 1,600 printed pages of public hearings and approximately 1,700 typed pages of executive-session transcript. A complete list of witnesses appears in the appendix.

C. DRAFTING OF BILL BY COMMITTEE

The central problem before the committee was to determine the best means and the amount of money necessary to effectuate the objectives of the Mutual Security Program, and then to draft a bill that would embody the results of its study. The committee was fully aware of the magnitude and complexity of its task. In an effort to fulfill this task the committee earnestly sought the opinions and counsel of the executive branch and afforded it ample opportunity to present its case. The committee considered the testimony of private citizens, some of whom had served with distinction in the executive agencies concerned with this program and hence could speak from experience and with candor.

In addition, the committee made a careful and thorough study of the mass of material placed before it, including the reports of the Brookings Institution, the Committee on the Present Danger, the International Development Advisory Board (Rockefeller report), the so-called Gray report, the Committee for Economic Development, and many other private organizations, all dealing with the problems of foreign-aid administration.

The committee also profited from the first-hand information obtained from eight of its members, headed by Chairman Richards, during the course of a 10-day special-study mission in Europe in June to observe the operations of the Mutual Defense Assistance and the European Recovery Programs. The other members of the study group were Congressmen Gordon, Mansfield, Battle, Chipfield, Smith, Judd, and Herter. Conversations and briefings were held with Generals Eisenhower, Gruenther, Handy, and Norstad, Admiral Carney, and their staffs, and Ambassadors Bruce (France), Gifford (Great Britain), Bay (Norway), Chapin (Netherlands), Murphy (Belgium), Dunn (Italy), and their staffs, Ambassadors Spofford (North Atlantic Council of Deputies), Katz and Wood (ECA), and many other United States officials in Western Europe.

Upon the conclusion of the hearings on July 31, the chairman of the committee, the Honorable James P. Richards, introduced H. R. 5020, which embodied certain reductions in the amounts of assistance proposed by the administration. This bill was intended by the chairman for use by the committee as a frame of reference for working its legislative will. The product of the committee's consideration and study is H. R. 5113, a clean bill, which includes the changes in H. R. 5020 made by the committee and embodies the conclusions and recommendations reached by its study. The bill represents 9 days of executive-session work, including night sessions, devoted exclusively by the committee to the writing of the bill. H. R. 5113, therefore, is truly a committee bill. It was approved and ordered reported unanimously on August 10.

TABLE 1.—Showing amounts authorized by this bill by area with a comparison of amounts requested

Item	Requested	Recommended change	Amount authorized
Title I (Europe):			
Military assistance.....	\$5,293,000,000	1—\$265,000,000	\$5,028,000,000
Economic assistance.....	1,675,000,000	—340,000,000	¹ 1,335,000,000
Total.....	6,968,000,000	1—605,000,000	6,363,000,000
Title II (Near East and Africa):			
Military assistance.....	415,000,000	-----	415,000,000
Economic assistance.....	125,000,000	+50,000,000	175,000,000
Total.....	540,000,000	+50,000,000	590,000,000
Title III (Asia and Pacific):			
Military assistance.....	555,000,000	—25,000,000	530,000,000
Economic assistance (excluding Korea).....	262,500,000	—25,000,000	237,500,000
Assistance for Korea.....	112,500,000	—101,250,000	11,250,000
Total.....	930,000,000	—151,250,000	778,750,000
Title IV (American Republics):			
Military assistance.....	40,000,000	-----	40,000,000
Economic assistance.....	22,000,000	-----	22,000,000
Total.....	62,000,000	-----	62,000,000
Title VI (general): Strategic materials.....		+55,000,000	¹ 55,000,000
Grand total.....	8,500,000,000	—651,250,000	7,848,750,000

¹ \$55,000,000 has been transferred from title I—Economic assistance for strategic materials.

II. PURPOSE OF THE BILL

The bill's stated purpose is—

to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

This purpose, by the specific terms of section 2, amends the purposes of existing legislation affecting the Mutual Security Program—the Mutual Defense Assistance Act, the Economic Cooperation Act, and the Act for International Development—wherever there is any conflict with this purpose.

The purpose of H. R. 5113 is, thus, to authorize a program as part of our total national security effort. This view is shared by General Eisenhower. It is also shared by Gen. Omar Bradley, Chairman, Joint Chiefs of Staff, as brought out in the following colloquy during the hearings before the committee:

Chairman RICHARDS. * * * Our own defense budget outlay this year is more than \$60 billion. In this bill there is more than \$6 billion. Would you care to state to the committee your opinion as to the relative importance of these two items in the defense set-up for security?

General BRADLEY. Mr. Chairman, I think they are so integrated that each one is essential. It is hard to say you can do one and not the other one and still expect to accomplish our purpose. In other words, the purpose of both of these bills, that is, the defense budget for the Armed Forces and the help to Europe, are all designed to increase our collective security forces to a point where they will act as a deterrent to war. * * * A third world war, with all of its destructiveness, is so great, and the final results would be so catastrophic, that it seems to us that you ought to lump the two and think of all of them as a deterrent which would avoid such a world war. * * *

Chairman RICHARDS. Would you say, taking into consideration the entire world picture, politically and otherwise, that it seems to us that one is as important as the other?

General BRADLEY. Yes; I think they are, sir (hearings pp. 289–290).

Earlier in his testimony, General Bradley had declared:

* * * In this day and age, collective security requires a collective effort on many fronts. It requires economic cooperation, industrial cooperation, international political trust and confidence, as well as collective military planning (hearings, p. 286).

H. R. 5113 will make it possible for the United States to do its part in fulfilling these requirements and to enable the recipients of our assistance better to do their part.

III. THE WORLD SITUATION

In deciding what should be done in the fiscal year 1952 about military, economic, and technical assistance to foreign countries, it was necessary for the committee to face the following facts:

1. The present rulers of the U. S. S. R. are obviously dedicated to the destruction of the United States and there seems no possibility of diverting them from this objective except by building strength which they know they cannot overpower. In addition to the fear of which they as dictators are always conscious, that their people may become less docile if they are infected with hope of obtaining their freedom, the Soviet leaders accept the philosophy that Communist states and capitalist nations cannot exist together in peace.

2. The Soviet Government has mastered the technique of internal subversion and is continuously waging a skillful, vigorous, and world-wide campaign to foment unrest and seize power whenever possible.

3. A Russian army which is several times larger than all the forces which could readily be brought to bear to oppose it is under arms and concentrated at various strategic points ready to strike. In addition, there are large satellite armies in the field.

4. The area under the domination of the U. S. S. R. has large supplies of natural resources. The technical skill, scientific knowledge, and industrial capacity of the Soviets is advancing.

At the same time the countries which are nearest to the Russian-dominated area are weak. In Europe, no country has sufficient military strength to protect itself against a Soviet attack. In Asia, most of the countries, that have not already fallen under Russian control, have recently attained their independence. Their new governments are not firmly established, their people are divided; their standard of living is low. There is a widely prevalent resentment against former colonial administration which tends to include all European nations and frequently the United States.

A number of specific danger spots exist concerning which particular apprehension is justified. These include the fighting in Korea in which direct participation by Russia might occur at any time; the concentration of troops in Eastern Germany and on the borders of Yugoslavia; the build-up of Chinese Communist forces on the borders of Indochina and Burma; the tension in Iran, and the exposed position of Berlin.

The United States position

The United States was already cooperating in a number of ways with other nations to meet the situation. We have Armed Forces in Germany, Austria, and Japan. We have joined with 11 other nations in the North Atlantic Treaty which involves a 20-year commitment to aid one another if attacked. The United States in 1949 recognized

the military weakness of our North Atlantic Treaty partners and of other nations important to our security and began supplying military equipment under the Mutual Defense Assistance Act.

While economic and technical assistance to foreign nations was not begun as a security measure, the ECA and the programs under the Act for International Development have become more and more involved with mutual security.

The issues confronting the committee therefore involved the appraising, adjusting, and consolidating of existing programs and the consideration of fundamental policy questions involved in the evolution of existing programs into a coordinated effort for mutual security.

IV. THE NEXT FEW YEARS

A. UNITED STATES OBJECTIVES

Component parts of the Mutual Security Program

The program envisaged by H. R. 5113 has many parts and many kinds of specific activity. It has nevertheless a unifying purpose which makes of these diverse parts a coordinated whole. Its purpose is to enable the free world to stand secure against the present danger. Each part of it is designed to serve this purpose.

The individual components of the total program are not themselves wholly new. In the Mutual Defense Assistance Program the Congress authorized the furnishing of military aid to countries that are partners with us in a common defense effort. In the European Recovery Program we have, since 1948, been helping Europe to reestablish economic stability, rebuild its productive power, and achieve economic unity. These are essential prerequisites of an adequate European defense effort and Marshall plan techniques have since early 1951 been adapted to serve the new defense purposes. Under the International Development Act, we are already furnishing know-how so that economically underdeveloped countries can help themselves to make economic progress and to become strong. The technical cooperation program in Latin America was initiated by the United States during World War II, under legislation enacted prior to the war. During the last 9 years, it has achieved success in demonstrating the manner in which United States know-how can supplement and make more effective the economic development efforts of the Latin-American nations. We have been contributing to similar technical assistance programs carried on by the United Nations and the Organization of American States. Thus, there is an essential continuity in our plans and efforts. The factor of continuity with respect to the North Atlantic area was stressed by Ambassador Charles M. Spofford, United States Representative in the North Atlantic Council Deputies:

Of possibly the greatest importance to the enactment of the present aid program is the positive evidence that will be given to our European partners of the continuity of the policy of the United States in support of a North Atlantic Treaty * * * the United States leadership is the major factor in directing this entire effort (hearings, pp. 1343-1344).

The Mutual Security Program now brings together all of these present efforts and directs them to the overriding end of building free world strength against Soviet aggression and subversion.

Furthering the national security of the United States

The program in the bill has been calculated in size, scope, and direction to be that best suited to further the national security of the United States during the fiscal year 1952. It is, however, part of an over-all program for the next few years. Together with our domestic program for the build-up of our own forces, it should be considered an effort made necessary by the urgent and critical situation which confronts the United States and other independent nations.

The impulse behind the program springs from these positive points:

(1) The hope of preventing another world war lies in making ourselves and our friends strong;

(2) This will require the maximum development and utilization of the resources of the entire free independent world through international cooperation;

(3) The strength which will come from the collective efforts of this combination will far exceed the strengths of the separate national components.

These lie at the heart of our Mutual Security Program.

As stated by the Committee on the Present Danger:

This is not primarily a project of humanitarianism. It is a project of self-interest for America—of the highest and most pressing urgency. This is the best method of self-defense (A Statement on Foreign Aid, p. 3).

B. THE MUTUALITY OF SECURITY

The committee emphasizes that if the program is to achieve its objective, one element of it especially must be borne in mind by our partners—*mutuality*. This is a *mutual* security program. It involves the assumption of mutual responsibilities and mutual sacrifices to achieve a mutually desirable objective—international peace and security. Unless this element of mutuality is clearly understood and effectuated by all concerned, this program cannot, in the opinion of the committee, achieve its purpose.

It is not a program under which we will carry the rest of the world on our backs. Even if this were desirable, it is impossible. The program is founded on the principle of mutual effort and on the knowledge that we can help effectively only those of our friends who help themselves, help each other and help us.

The policy of self-help is, and has been, an integral part of all United States foreign assistance programs since the end of World War II. It was deliberately made a premise of the basic Mutual Defense Assistance Program, as emphasized by the committee in its report thereon:

This principle is integral to every aspect of the program as a pattern of action. It enlightens every facet of the proposed undertaking. * * * The things anticipated as a result of this program will be great or small, successful or unsuccessful, largely in the degree in which the peoples and their leaders participating in this program understand this principle and give it reality in practice.

As imperialistic Soviet pressures increase the doctrine of mutuality becomes more vital.

It is the plan of the program that United States assistance to Western European self-help will enable our friends in that area to hold the line themselves soon.

General Eisenhower has put the matter thus:

We know that in the long run no nation can be defended from without. Rome tried it and built walls. Other nations have tried it. This area, if it is going to be defended, has to defend itself in the long run * * * the purpose (of the United States) is to give the people (of Europe) the umbrella under which they can start building. * * *

The doctrine of mutuality has not been given enough emphasis by the United States in past programs. It is given emphasis in this program. But our friends must give it emphasis as well, especially during the next few years.

C. THE TIME FACTORS

There is always the possibility that the Soviet rulers may start an all-out armed attack at any time. Gen. Alfred M. Gruenther, Chief of Staff, Supreme Headquarters Allied Powers, Europe, in his testimony before the committee observed:

* * * he (the enemy) is always going to have the advantage of surprise and all he has to do is make up his mind some night to attack (hearings p. 1506).

The steps taken in the last 2 years would make an attack now more costly and hazardous to the Soviets, but would be insufficient to stop the initial attack.

Meeting the Soviet timetable—

On the other hand, the Soviets may continue their aggressive tactics short of all-out war for years to come. Do we have sufficient time for better preparation? That is a question to which the committee devoted considerable attention, and sought an answer. General Eisenhower, General Marshall, General Bradley, and General Gruenther think we do. So does the committee, or else it would not be proposing the Mutual Security Program before the House. There is no time to spare. It is constantly being compressed. The program which this bill proposes for fiscal year 1952 is only one of the necessary steps which we must take during the next few years. On this point, here are the words of General Gruenther:

My own conviction, and I am absolutely positive of it in my own mind, is that time is on our side if we can make the proper use of it.

But, with this *caveat*, the general continued:

If we * * * are not able to continue with the degree of resoluteness that is required, and cannot see through a coalition [North Atlantic Treaty Organization] of this type, and I can assure you that the frustrations are many in connection with it, then the Soviets may be right (hearings, p. 1509).

Tapering off of United States military assistance

At SHAPE headquarters in Paris, General Eisenhower told the visiting study group, consisting of members of the Armed Services and Appropriations Committees in addition to representatives of the Committee on Foreign Affairs:

As both General Gruenther and I mentioned earlier, the completion of the 1952 program will go a long way toward giving us the strength we need to plan for a positive defense. Even then it will not represent the strength that we would want if we are going to face an all-out war. As Congressman Judd mentioned earlier it will give us, in effect, the minimum program for survival. As regards the flow of equipment from the United States to aid in forming these European forces, that, too, is going to taper off sharply after—I would say—about three

more years or so. By then we will complete the equipping and modernization phase—the investment of equipment to create the forces these European countries need will be ending. It is like providing the capital to build an industrial plant. Once it is built, those costs drop off sharply, and it becomes a current maintenance proposition. These European countries will carry most, if not all, of the maintenance load for keeping up these forces, once they are established.

D. THE REGIONAL APPROACH

In setting a definite goal and time limit for a mutual program on behalf of United States security and that of our friends, the committee has considered carefully what framework in this bill could best achieve the desired result. Up to now, the foreign assistance programs authorized by the Congress, many of them world-wide in scope, have been directed toward a particular function. This is true of the European recovery program, the Mutual Defense Assistance Program, Point 4, and other aid legislation. In view of the expansion of Soviet imperialism and its increasing belligerence, the committee feels that a new approach is needed. No area of the world can be said to be free of the Soviet menace. Soviet imperialism thinks in terms of areas, rather than of nations. If it picks off one country, it is only to be in a better position to pick off another until finally it has subdued the entire area. It is the judgment of the committee that our programs can be most effective in forestalling that Soviet tactic if directed toward building up strength area by area. The regional approach adopted in this bill, while preserving the fundamental objectives of existing programs, should bring about better understanding by Congress and the people and maximum coordination of United States assistance.

V. EUROPE—TITLE I

A. ADVANTAGES TO UNITED STATES SECURITY IN THE DEFENSE OF EUROPE

The committee does not believe that there is serious doubt in the minds of the American people as to whether or not it would be desirable for the United States to aid in the defense of Europe. The fact that the United States has entered into a 20-year commitment under the North Atlantic Treaty to assist European countries if they are attacked is evidence that the issue has been faced and decided.

A glance at the possible alternative of aid to Europe—the downfall of that area to the Soviet slave empire—sharply emphasizes the importance of maintaining the liberty of that area. Europe's resources are great, in spite of her military unreadiness. On this matter we quote the testimony of Gen. J. Lawton Collins, Chief of Staff, United States Army:

The importance of the productive capacity of Western Europe should not be underestimated. If Western Europe falls under Communist domination, there will be lost to the forces of freedom the industrial efforts and scientific skills of more than 200,000,000 people. The coal and steel of the Ruhr, the Saar, and the Lille areas would be among the resources available to our enemies, and the economic scales might be tipped against us.

Today, the free nations of the world have a material productive advantage over the Communist nations, but if Western Europe were lost this advantage would be greatly reduced and in some cases overcome. Our advantage would be reduced, generally, in coal, from 3 to 1 to $\frac{3}{4}$ to 1; in steel, from 5 to 1 to $1\frac{1}{4}$ to 1; in power, from 6 to 1 to $1\frac{1}{2}$ to 1. And if Western Europe were lost, the Middle East

would not be far behind and the Communists would then control half of the world's oil reserves.

If Europe and the Middle East should fall under Communist domination, the Western Hemisphere would face almost certain war or economic strangulation. The political, economic, and ultimate military conflict that would ensue is dreadful to contemplate. It is by no means certain that we could survive such a conflict; that one-seventh of the world's population could withstand six-sevenths; that we could stand for long without our European friends and their resources. The stark fact is that we need a free Europe and Europe needs us. Only our combined strengths can make us secure.

To achieve security each nation must contribute its share, and must concentrate on what it does best.

* * * * *

Our European partners are contributing substantial quantities of the items required for the initial equipping of their forces, such as major armament feasible to produce in Europe, small arms and ammunition, all personal equipment, food, housekeeping supplies, and the like. And they also maintain posts, camps, and training areas.

B. POSSIBILITY OF DEFENDING EUROPE

The advantages to the United States of keeping Europe from falling into Russian hands are so great that the United States is justified in supplying a lot of money and equipment to Europe if the defense program is feasible. The armed strength of the Russians in contrast to the weakness of the western European nations, together with the uncertainty as to the time available before the leaders in the Kremlin determine to strike, make necessary a careful analysis of this issue.

The committee gave special consideration to this matter, evaluating the information and judgment of the Joint Chiefs of Staff, the Department of State, and of others as to the time which might be available for building up the defensive strength of Europe and analyzing in detail the various steps that have to be taken to bring into being a military force capable of withstanding Russian aggression.

Time available before Russia strikes

No one knows what goes on in the minds of the leaders of the U. S. S. R. and the information available as to Russia's military plans is fragmentary. After hearing frank testimony on this matter from the officials responsible for United States military strategy and for our foreign policy it is the judgment of the committee that the probable time available justifies proceeding with maximum speed the program for building up European defenses.

The following factors which can be made public point to this conclusion:

(1) Russia apparently fears our superiority in atomic warfare. The Russian Army is ready and could get into action in a short time. It could undoubtedly overrun a considerable territory under present conditions. Nevertheless, the Soviet Government has to take into account the likelihood that the destruction of their major cities and industries would occur immediately. Furthermore, their lines of communication with western Europe would run through peoples increasingly restless and hostile.

(2) Russia respects and fears our industrial potential. The immediate advantage in a conflict today would be with Russia. Nevertheless, the United States would be stronger 2 years hence than now and any war would be a long war. World War II was a severe blow to the Russian economy and the drain on her resources of maintaining such a large military establishment is onerous.

(3) Russia has mastered the technique of conquering by subversion from within and its efforts by this means have been successful. Russia does not appear to have lost confidence in such methods.

(4) Russia is not convinced that time is on the side of the free nations. Russian production is rising and her strength is increasing.

(5) The Soviet leaders accept the Communist doctrine that capitalism will eventually disintegrate and are trying to speed that disintegration.

A Russian attack might occur at any moment in any of several danger spots. Nevertheless, a balancing of the factors justifies the United States in taking the inevitable risks involved in preparing a defense even though an attack may come before a completely effective fighting machine is ready for defense and counterattack.

During the visit to Europe in June of the study mission, headed by the Honorable James P. Richards, General Gruenther stated:

If we utilize it [time] properly, we shall get stronger and stronger until the deterrent power will make it almost impossible for the Soviets to accept war.

C. WORK TO BE DONE IN BUILDING EFFECTIVE EUROPEAN DEFENSE

In reaching a decision as to whether or not we are trying to do more than is possible in Europe and as a result throwing United States money and equipment away the committee gave consideration to the various jobs that have to be done in order to develop in Europe a fighting force that is capable of withstanding a Russian attack.

Organization for European defense

One of the most important and most difficult tasks to be accomplished is the development of an organization which will permit the 12 nations which have joined in the North Atlantic Treaty to carry on successful military operations. It is a job that has to be done if Europe is to be defended. All of the free nations of Europe now recognize that there has to be a unified effort. No country in Europe is strong enough to withstand Russia alone. All nations know that an old-fashioned military alliance with national armies fighting as units would be no match for the Soviet power.

The problems encountered are difficult. No nation surrenders easily any of its rights to take individual action. Almost every step that has to be taken gives certain countries an apparent advantage while other countries feel that they are at a disadvantage. Complex problems of law and property rights, many of them requiring legislation by the countries involved, have to be solved before a nation can implement an agreed-upon policy. No country likes to commit its troops to defend any territory other than its own.

The organization's structure which has evolved is as follows:

North Atlantic Treaty Organization

May 25, 1951

North Atlantic Council
Foreign Ministers, Defense Ministers
& other Ministers as appropriate

Council Deputies
Ambassador Charles M. Spofford
LONDON

**Planning Board
for Ocean Shipping
PBOS**
Mr. Huntington T. Moore
London-Washington

**Financial and
Economic Board
FEB**
Ambassador Charles Wood
Paris

**Military
Representatives
Committee**
WASHINGTON

Military Committee
General Omar N. Bradley
Standing Group
General Omar N. Bradley
(U.S., U.K. & France)
WASHINGTON

**Defense Production
Board DPB**
Mr. William L. Benz, Sr.
LONDON
Coordinator
Mr. William R. Harod

**Military
Standardization
Agency**
LONDON

**Other
Commands
as
Established**

**Supreme Allied
Commander
Atlantic
SACLANT**
NORFOLK

**Supreme Allied
Commander
Europe
SACEUR**
Gen. Dwight D. Eisenhower
PARIS

**Canada, U.S.
Regional
Planning Group**
WASHINGTON

At the top is the North Atlantic Council which is made up of ministers of the member countries and which meets at intervals, depending on the nature of the issues to be considered. The countries may be represented by their foreign ministers, their defense ministers, or other ministers as appropriate. Usually the meetings are attended by the foreign ministers and the United States is represented by the Secretary of State.

Immediately below the North Atlantic Council are the 12 Council Deputies who are located in London and who are in daily session. The United States Deputy is chairman. This group is supposed to carry on the North Atlantic Council work between sessions. In the judgment of the committee, this arrangement is unsatisfactory. The day-to-day issues requiring action by the NATO countries are important and require prompt action. The deputies, however, are not of sufficient status to be able to commit their governments so that everything has to be referred back to their governments before they can act. As a result no decision can be reached without a long series of communications requiring days or weeks to complete.

Under the Council there is a Military Committee on which Gen. Omar Bradley represents the United States; a Defense Production Board, a Financial and Economic Board, and a Planning Board for Ocean Shipping. This structure is made more complex than it might appear by the fact that so many of the people are not in London. General Bradley is located in Washington. The Finance and Economic Board has been erected on the foundation of the Marshall-plan organization and is in Paris. The Defense Production Board is in London but the principal staff of American industrial experts is in the ECA organization in Paris.

General Eisenhower is the Supreme Allied Commander in Europe but is only one of the commanders under NATO. It will be noted that he is four layers down from the top on the chart above.

General Eisenhower reports to the Standing Group; an international body in the Pentagon made up of senior United States, British, and French officers who in turn are under the Military Committee. The smaller NATO countries do not belong to the Standing Group but have in Washington a Military Representative Committee which confers with the Standing Group.

The mere description of this structure indicates its shortcomings as an organization for raising, equipping, maintaining, and commanding an army in the field.

The committee believes that effective defense of Europe is impossible until this organization is substantially improved. Nevertheless, the committee is aware of the difficulties of the problem and sees a number of encouraging factors. One of the most important of these is the ability and prestige of General Eisenhower. The nations of Europe have confidence in him and are willing to entrust their forces to him and carry out his instructions even though there are, as yet, not enough legal commitments and organizational procedures to bind them to such action.

Another favorable factor is the influence of the United States military-aid program. Countries are willing to adjust their differences and undertake commitments when they have assurance of American equipment to assure the effectiveness of their efforts. It should be possible to bring about the adoption of uniformity as to

small arms among the countries of Western Europe which has so far not been attained.

Of particular importance also is the experience that has been gained. It is becoming increasingly clear to all of the North Atlantic Treaty nations what the defects are and what actions must be taken. The centralization of the administration of United States military aid provided in this bill will permit the United States to supply more effective leadership in the future.

The conclusion of the committee is that although the organizational situation is perhaps the least satisfactory aspect of the European defense effort, the situation is being taken in hand, and the problems can and will be solved rapidly enough to handle the new forces which are being brought into being under the program.

The defense plan

A second major job that has to be done if Europe is to be defended is to develop a plan of defense that gives assurance that it will work and at the same time is accepted by all the participants. This is an exceedingly difficult job. None of the European nations have equipment enough to fulfill their necessary roles, or money enough to support their respective shares of the task. Furthermore, no country likes a defense plan which envisages the possible overrunning of some or all of its territory.

The planning problem has been made even more difficult by the uncertainty as to what countries would participate. The line which will be defended against Russia depends on whether or not Germany is going to be included. The forces available and the air and naval strategy vary depending on whether or not Spain cooperates and whether Greece and Turkey come under the NATO command.

The committee heard in secret session the series of plans which, if put into effect, should deter Soviet aggression or defeat it if launched. These plans, however, depend upon the solution of problems of logistics, manpower, and supplies. The committee believes that sufficient progress has been made toward solving these problems to justify going forward with the defense program. The policy of the United States appears now to be clearly established and as the other NATO countries see increasing hope of successfully withstanding Soviet aggression they are expected to surmount the obstacles to attaining such a result.

Getting men under arms

The committee recognizes that there has been particular concern among the people of the United States as to whether or not the countries were either able or willing to put enough men into uniform to do the job that has to be done. A very careful study of this problem has been made by the committee, not only in its hearings but by direct observation in Europe. For security reasons it is impossible for the committee to present its findings in as much detail as it would like.

Of primary importance is the fact that manpower is not the bottleneck in developing European defense. The limiting factors are equipment and money, as will be explained below. General Eisenhower was emphatic on this point in his statements to the members of the committee who visited Europe. He said men were being called up and trained faster than equipment was arriving.

It is clear that progress in getting men under arms in Europe has been slow and that much remains to be done. The following table indicates what has been done and the task ahead:

TABLE 2.—*Men in active military service*

	Total pop- ulation	1938	1951 (ap- proxima- tion)		Total pop- ulation	1938	1951 (ap- proxima- tion)
Belgium.....	8,950,000	93,000	105,000	United Kingdom	50,915,000	426,000	800,000
Denmark.....	4,368,000	10,000	27,000				
France.....	42,400,000	731,000	750,000	EUR total	174,713,000	2,280,500	2,206,000
Italy ²	46,818,000	850,000	300,000	EUR total less			
Luxemburg ¹	(1)	500	2,000	Italy.....	(2)	1,430,500	1,906,000
Netherlands	10,280,000	92,000	100,000	Canada.....	13,931,000	7,000	61,000
Norway.....	3,310,000	16,000	32,000	United States.....	152,350,000	376,000	3,300,000
Portugal.....	7,702,000	62,000	90,000	Grand total..	340,394,000	2,663,500	5,567,000

¹ See Belgium.

² The prewar Italian Army was excessively large because of the Fascist regime and the postwar Italian Army is limited to 300,000 by the peace treaty.

The planned figures for 1952 cannot be presented for security reasons but a substantial increase is provided for.

The following table shows the progress made in increasing the length of the conscription period in Europe:

TABLE 3.—*Conscription periods*

[Months]

	June 1950	January 1951	June 1951	Planned or authorized
Belgium.....	12	12	24	24, authorized.
Denmark.....	10	10	11	12, law pending.
France.....	12	18	18	18, authorized.
Italy.....	12	12	15	18, plan by mid-1952.
Luxemburg.....	6	6	12	12, authorized.
Netherlands.....	12	12	16	24, authorized.
Norway.....	8-11	8-11	12	12, authorized.
Portugal.....	16	16	16	22, authorized.
United Kingdom.....	18	24	24	24.

In a small country men who are trained can safely be put in reserve. For instance, little Switzerland has an initial conscription period of only 4 months, but has about 450,000 men trained, and ready to fight.

There are difficulties of getting such a program under way in war-weary Europe. The willingness and ability of the European countries to provide men for the armed services is being demonstrated. Lack of military manpower will not delay the completion of the rearmament program in Europe.

Military budgets

The factor most seriously limiting European rearmament at the present time is money, according to the evidence presented to the committee. This means European money. The revenues of the European governments are not adequate to meet the costs of their expanded military programs.

The exhaustion of the finances of all European countries following World War II requires no explanation.

TABLE 4.—*Defense expenditure and gross national product*

[Dollar equivalents in millions]

	1949-50 ¹			1950-51 ²		
	Gross national product	Defense expenditure	Percent	Gross national product	Defense expenditure	Percent
NATO countries:						
Belgium-Luxemburg.....	6,368	159	2.5	6,595	174	2.6
Denmark.....	2,806	44	1.6	3,151	48	1.5
France.....	22,724	1,386	6.1	25,954	1,801	6.9
Iceland.....	85			98		
Italy.....	13,819	475	3.4	15,200	650	4.3
Netherlands.....	4,656	185	4.0	5,125	235	4.6
Norway.....	1,698	49	2.9	1,994	72	3.6
Portugal.....	1,934	47	2.4	2,003	46	2.3
United Kingdom.....	36,197	2,082	5.8	37,985	2,175	5.7
Total NATO countries.....	90,287	4,427	5.0	98,105	5,201	5.3
Other ERP countries:						
Austria.....	1,657	\$ 32	1.9	1,929	\$ 24	1.3
Germany.....	19,476	\$ 1,035	5.3	23,809	\$ 1,038	4.4
Greece.....	1,722	115	6.7	1,835	178	9.7
Turkey.....	2,471	188	7.6	3,117	162	5.2
Ireland.....	1,082	13	1.2	1,120	14	1.3
Sweden.....	5,388	176	3.3	6,196	165	2.7
Total ERP countries.....	122,083	5,986	4.9	136,111	6,782	5.0
Canada.....	15,337	360	2.3	16,564	724	4.4
United States.....	261,000	13,200	5.1	303,500	22,200	7.3

¹ Includes data for country fiscal years ending Dec. 31, 1949, Mar. 31, 1950, and June 30, 1950.² Includes data for country fiscal years ending Dec. 31, 1950, Mar. 31, 1951, and June 30, 1951.³ Occupation costs.

During the current fiscal year 1952, the defense budgets of these NATO countries will rise again, and at a faster rate. On the basis of present estimates, it appears that the aggregate NATO budgets in Western Europe (excluding Portugal) will be in the neighborhood of 8 to 9 billion, representing a large increase since Korea. The actual realization of these plans is dependent on necessary economic aid. We believe that the level of these aggregate NATO defense budgets, assuming necessary United States economic aid, can and must be raised to even higher levels in future years, with due regard to the common objectives, the practical limits, and the many-sided nature of the struggle in which we are engaged.

Estimates by countries.—The country-by-country testimony by ECA was unsatisfactory, fragmentary and secret. We give here the estimates by members of our own committee.

The following summaries indicate the economic situations in a number of countries:

France is basically strong and well balanced economically, but has had difficulty organizing this potential in a stable way. Political trouble with Communists and others; rising prices; low pay standards; reluctance of capital to invest; reluctance to try new and more efficient production methods.

Standard of living: The average worker can buy with hourly wage only three-eighths as much food as an American can with his hourly wage. It takes six times as many hours of labor for him to buy a pound of butter as for an American worker.

Taxes are 22 to 26 percent of gross national product. The same bracket as United States and the Netherlands taxes. However, the low income base should be taken into consideration.

In the *United Kingdom* rationing and allocations are still in effect. An austere life is the lot of the British. They can be counted on to organize their economy effectively to carry out their defense program. Their standard of living is among the better in the NATO group, although the average hourly wage for a workman will only buy three-fourths as much as that of an American. It takes him about twice as long to earn enough to buy a liter of milk, and five times as long to buy a kilogram of chocolate. Taxes are at 30 percent of gross national product, the highest in Europe, contrasted to United States, 23 percent, although the income base for United Kingdom is lower to start with.

Norway, since the war has spent relatively large resources on investment (e. g., shipbuilding) and held down consumption by financial and civilian controls and increased taxes. The standard of living is among the higher in NATO countries. The average hourly wage of the Norwegian will buy three quarters as much as that of the American. It takes him twice as many hours to earn enough to buy a pound of butter as for an American worker. Taxes are 22 to 26 percent of gross national product, same as United States, France, Netherlands. Incomes are lower, however; hence impact is relatively great.

The Netherlands, through loss of Indonesia, dropped a big source of its revenue. The country today is faced with economic readjustments to its size. In spite of governmental measures of restrictive nature, certain inflationary pressures are present and will continue to be. Standard of living is average or slightly below that for the NATO nations. It takes five times as many hours of labor for a Dutchman to buy a pound of butter as it does an American. Labor accepted cut in real wages as part of recent defense increase. Taxation is 24 to 26 percent of gross national product, same as United States, France, Belgium, and Norway.

Belgium has made an excellent economic recovery since the war. Is one of European countries that can both make and pay for larger amount of military equipment than it now plans. Standard of living is above the average for NATO countries. Taxes are 22 to 26 percent of gross national product, same bracket as United States, France, and Netherlands.

Italy has big reserves of manpower and plants, but is poor in most raw materials. Fears inflation. Some progress in economic recovery, but much yet to be done. Standard of living—Italy among lowest in NATO nations. Average hourly wage of workman will buy only one-fourth as much food as that of an American—takes an Italian $3\frac{1}{2}$ hours of work to buy a pound of butter, roughly one-half hour for American. Taxation is 15 to 16 percent of gross national product. However, due to low income, unrealistic to consider higher rates.

Denmark has made above-average economic recovery. Standard of living: The average Danish laborer can buy with an hour's wage three-fourths as much food as the American. This places him in the higher standard of living bracket in NATO. Coffee, sugar, and rice are still rationed. It takes a Dane 1 hour of work to buy a pound of butter; an American one-half an hour.

Taxes are 15 to 16 percent of gross national product, in lowest bracket in NATO countries.

As a result of the conditions just described, there are only a few countries where any immediate substantial increase in revenue is possible and the obstacles to a more rapid budgetary shift toward defense expenditures are very great.

Although the United States is carrying an important share of the cost of European rearmament, the cost to the individual countries is heavy. We supply military end items primarily. The costs of troop pay, clothing, feeding, housing, etc., of troops is all borne by the European governments.

As a consequence, with one or two exceptions, each country in Europe is calling up as large a force as it can finance.

Use of counterpart funds for defense (sec. 612 (2) (D)).—A significant contribution toward the improvement of this situation is contained in clause (D) of subsection 2 of section 612 of this bill, which provides that not less than the equivalent of \$500,000,000 in total ECA counterpart funds available in Europe is to be used for military production. These are local currency accounts subject to the joint control of the United States and each country receiving grant assistance under the Marshall plan.

As indicated below, \$840,000,000 of the authorization of economic aid for Europe is justified by the expanded rearmament program. Some of this money goes to countries which have only limited facilities for military production, but if adjustment is made for such countries, the sum of \$500,000,000 counterpart equivalent earmarked by this bill will approximate the amount of grant aid for increasing military production.

This provision regarding the utilization of counterpart for military production is not limited to European countries, and military production should be available in certain areas outside Europe.

The committee recommends that these funds be used not only to develop military production in a country for its own use, but to pay for military items in one European country for use in another. Our officials are already at work on this plan, but much pressure is needed to accomplish results.

At present there are manufacturing plants in Europe capable of producing defense items (in the electronic field, for example) that are not being fully used for military production because these factories can turn out more than is required by the country in which they are located. All other countries can spend their entire military appropriations at home so that there is no money available with which to buy from outside.

The committee believes that money will cease to be the bottleneck limiting European rearmament in another year, although it has been estimated that it will be 3 years before Europe can fully finance its military contribution to the NATO defense program.

Equipping the European defense forces

In view of Europe's traditional preeminence in the manufacture of armament, the committee has given particular attention to the question of why so many military end items must be supplied from the United States. It has found two basic reasons for this situation. First, the European armament industry, except in the United King-

dom, was almost completely destroyed during the war and immediate postwar periods. All of the continental countries were conquered. In Germany the occupying powers destroyed all facilities designed to produce military end items which survived the Allied bombing.

Second, and perhaps more important, no country in Europe except the United Kingdom and Germany ever really got into the production of the weapons of present-day warfare. As a consequence it has been necessary for every country in Europe, except the United Kingdom, to start from scratch and the start had hardly been made before the North Atlantic Treaty was signed in April 1949.

A fighting force must be equipped with tanks, airplanes, new artillery, and a lot of complex electronic equipment if it is to withstand Russian aggression. Undoubtedly, Europe can in the course of a few years manufacture most of these things satisfactorily. Western Europe has always been noted for its scientific, engineering, and technical advancement. It would take several years for Europe to get into quantity production, however. New machinery would be necessary in most cases and the acquiring of know-how is a time-consuming process.

The determining factor is the time element. Military strategy demands that armed forces be gotten ready for action as quickly as possible. It is necessary that they receive weapons and equipment as fast as they are ready to use them. This cannot wait for factories to be built.

By 1954 European arms production can and should be substantially increased. Light weapons, ammunition, and spare parts for vehicles and other heavy equipment are being given priority in the development of facilities for this production. In fiscal 1952, however, critical military end items essential to a European fighting force are available only in the United States.

It should be emphasized that the clothing, mess kits, barracks, and personal equipment of European soldiers are not being supplied by the United States.

The question of whether or not European forces can be equipped fast enough to meet future Russian aggression depends primarily on the United States. There is no alternative source of equipment. If the United States supplies it fast enough and generously enough, European soldiers will be equipped to fight. If we do not do so, they cannot be ready.

Development of infrastructure

Closely related to the supplying of military end items is the development of what the French call the infrastructure, meaning the airfields, communications networks, depots, and other installations essential for military operation. There is a widespread feeling in the United States that the willingness of the European countries to develop airfields and other facilities for a large military force was a significant indication of zeal and sincerity of the European military effort.

The record of performance of most European countries in this regard has been unsatisfactory. The issues involved are difficult for the various European governments to solve. The biggest difficulty has been money. Capital improvements of this nature are costly and the budgetary problems of the countries have already been discussed.

Furthermore, there have been political obstacles to converting needed farm land into airfields, and many communities fear that troops from other nations may be stationed in new installations.

The countries of Western Europe entered into the rearmament program with a good deal of skepticism. They did not want to commit themselves very far until they felt that there was some chance of winning if war came and until they were sure the United States really meant what it proposed.

There has been a significant change in the spirit of the people and governments of Europe during recent months toward the rearmament effort and the poor showing in the past with regard to the infrastructure is not indicative of the future. The delays which have been encountered have not done serious injury to the defense program since airplanes and other equipment are only now becoming available in large enough quantities to make the new facilities necessary.

The governments of Europe should be put on notice, however, that prompt action with regard to the infrastructure is essential and that unless this aspect of the rearmament effort can keep pace with the demands of the program the United States will have to revise its over-all defense plans.

Conclusion as to whether Europe can be defended

To summarize:

1. There is an understanding of the nature and urgency of the organizational difficulties that may cause a prompt improvement in this field.

2. It is possible to work out and make effective a plan for preventing Western Europe from being overcome by Russia.

3. The countries of Europe can and will supply the manpower necessary to carry out their defense obligations.

4. The European governments are initiating the financial measures necessary to insure that each nation will make its full contribution to the job to be done.

5. Most of the heavy military equipment for Europe can only be supplied by the United States, but it is believed that we can supply such equipment rapidly enough to permit an effective armament program to be carried out.

6. The delays in the development of airfields and other military facilities in Europe have not seriously handicapped the defense program and they are on their way to a solution.

D. THE UNITED STATES CONTRIBUTION

On the basis of these facts, the nature of the United States support to the European defense program is clearly indicated. We have to supply most of the heavy weapons and equipment; we have to supply money, materials, machinery, and know-how to speed up European production of military equipment.

This bill authorizes an appropriation of \$5,028,000,000 to Europe in fiscal 1952. This figure was arrived at after careful consideration by the committee of detailed programs for each country; of the items of equipment to be received; and of the costs of transporting such equipment and the necessary training expenses. These facts cannot be presented for security reasons.

In addition the committee has approved an authorization of economic assistance to Europe of \$1,335,000,000. This money is made necessary because of the following considerations:

1. There are a number of countries in Europe which have not found a solution to their postwar problems and are not able to pay their own way. Austria, Trieste, Iceland, and Greece are typical of this group. It is essential to the security of the United States that none of these countries be thrown on its own resources at the present time with the inevitable political and economic consequences of such action.

2. All countries which have facilities or a potential capacity for military production need United States dollars to buy materials and equipment in addition to what their own resources will permit.

3. Most of the countries of Western Europe would be within sight of being self-supporting by the end of 1952 if it were not for the necessity of converting their industries to war production. As their factories shift from export orders to war orders, their trade deficits increase. If we do not offset the necessary minimum of such deficits the conversion of the European economy to defense production will inevitably be retarded.

The officials of the ECA have testified that any precise breakdown of authorization requests to show how many dollars are required to meet each of these situations is impossible because of the lack of any precise way of determining where one type of situation shades into another. It was estimated, however, that of the sum originally requested, which totaled \$1,675,000,000, before it was adjusted by the committee, it would have been necessary for the United States to supply \$672,000,000 to finance the European economy during fiscal year 1952 even if there had been no rearmament program.

TABLE 5.—*Estimated distribution of country aid, fiscal year 1952*

[Million dollars]

Country	Total	Estimated aid if there were no expanded rearmament program	Aid request because of the expanded rearmament program
Austria.....	145	145	—
Belgium-Luxemburg.....	50	—	50
Denmark.....	50	30	20
Free Territory of Trieste.....	4	4	—
France.....	290	50	240
Germany (Federal Republic).....	175	100	75
Greece.....	250	175	75
Iceland.....	8	8	—
Italy.....	275	75	200
Netherlands.....	155	60	95
Norway.....	40	—	40
Turkey.....	70	25	45
United Kingdom.....	—	—	—
Total (14 countries).....	1, 512	672	840

VI. NEAR EAST AND AFRICA—TITLE II

A. STRATEGIC FACTORS

This title provides for assistance to three independent countries in Africa—Liberia, Ethiopia, and Egypt; Libya, soon to become independent; the Arab States of the Levant area and of the Arabian peninsula (Lebanon, Syria, Iraq, Jordan, Saudi Arabia, Yemen); Israel; and Iran. It also includes military aid for Greece and Turkey.

With the exception of Liberia, all these countries form a contiguous area, on the path of sea and air routes between the Orient and the occidental world, and they represent the land bridge from Eurasia to Africa. The oil production and oil reserves of the Persian Gulf States are of greatest significance and importance to the free nations of the world, present production of the Persian Gulf accounting for 75 percent of Western Europe's requirements. In a statement submitted to the committee, the late Admiral Forrest Sherman, USN, Chief of Naval Operations, made this point:

In that area lie tremendous oil resources which the free world requires now for its greatly expanded rearmament effort, and which would be essential for the effective prosecution of a general war. Conversely, these oil resources would be a tremendous asset to the Communists in waging a prolonged general conflict (hearings, p. 865).

The economic dislocations already occasioned by the Anglo-Iranian dispute over the oil resources of the latter country give added significance to Admiral Sherman's observations.

(See accompanying map for Near East oil resources.)

Other important materials are also available in the countries under discussion; for example, rubber and iron ore from Liberia, and manganese from Egypt. The need of the United States and other free nations for such resources makes it greatly in our interest to take all reasonable measures to assure the stability and peaceful development of the region.

In the Arab countries, whose independence is relatively recent, elements in the life of the peoples which contribute to political stability are still lacking. Iran, long independent, is beset by internal difficulties. Israel faces heavy economic burdens which the new nation cannot shoulder without assistance from abroad; Libya is only just now emerging as an independent state; Ethiopia and Liberia look to us for assistance and counsel.

Militarily, these countries are not strong, although under normal circumstances their forces do suffice to maintain order at home.

The relationships of the United Nations, the United States, and the United Kingdom with the Arab states have been adversely affected by the Palestine conflict. There still remains the opportunity, however, to find a basis for understanding and sound future relationships with these countries, once they are convinced that it is our intention to deal impartially with them.

B. ECONOMIC FACTORS

Economically, most of the countries are desperately poor, with a wide gulf between the few very rich people and the legions of the poor who make a bare living in agricultural and pastoral pursuits. The wealth represented by petroleum is limited to three countries, Iran, Iraq, and Saudi Arabia, and a few small independent sheikhdoms on the Persian Gulf. Even in these countries the operations connected with the development of the petroleum reserves characteristically do not require many laborers, and therefore the impact on the local economy is not widespread, except to the extent to which oil receipts are funneled out into the economy through operations in the public finance sector. Plans of these countries receiving oil royalties call for the utilization of these receipts in development programs designed to benefit the population as a whole. Any disruption of the orderly acquisition of these royalties can have a serious, if not disastrous, effect upon a country. Witness the present difficulties of Iran arising out of its dispute with Britain over the nationalization of its oil resources. The Honorable George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs, in this connection, made the following observation:

Iran is heavily dependent financially upon the exploitation of its oil resources. Failure to work out an agreement with the Anglo-Iranian Oil Co. has already seriously affected Iran's economy and retarded implementation of Iran's 7-year development program (hearings, pp. 737-738).

C. UNITED STATES POLICY

United States political objectives are to maintain and strengthen the forces opposed to Soviet expansion in the region. Our military and strategic objectives call for strengthening the military capacity of countries in the area which would be in the path of any push to the south by the Soviets. In the long run neither of these ends can be achieved unless fundamental economic conditions are improved.

D. COMMITTEE RECOMMENDATIONS

The committee has recommended \$175,000,000 for economic and technical assistance to this area. Of this sum \$75,000,000 is programmed for projects at the grass-roots level. It is believed that this will make possible a prompt and effective contribution to the well-being of the population and increase the stability of the area. The Honorable Henry G. Bennett, Administrator of the Technical Cooperation Administration of the Department of State, testified:

The primary emphasis in the economic program of \$75 million is on improving agriculture. More than half of this sum will be devoted to extension, demonstration, training, and equipment to help these countries produce more food and fiber. Twenty percent of the program will be used to reduce debilitating diseases and to improve the health and productive capacity of the workers. Projects to increase industrial output, to train more skilled labor, and to stimulate basic improvements in transportation, make up a substantial part of the proposed program, followed by aid to the development of water resources, vocational education, and government administration (hearings, p. 1476).

If the United States contributions to the United Nations are \$12,000,000, it is planned to take about \$3,800,000 from the \$75,000,000 in recognition of the probable level of United Nations technical-assistance activities in this area.

What is proposed in our assistance to this area is not a solution of the balance-of-payments problem, not an attempt to make over existing economies and institutions on our model, not an attempt to raise markedly the standard of living; but rather a series of projects, planned and executed by skilled technicians and administrators, designed to demonstrate, by action, possibilities for still broader development to be conducted by the countries themselves.

Military grant aid in the amount of \$415 million is proposed for Greece, Turkey, and Iran in order to carry forward the programs authorized for these countries in earlier legislation. It is also proposed that not to exceed 10 percent of the amount which is made available for Greece, Turkey, and Iran may, upon a finding by the President that such a course is in the security interests of the United States, be utilized to supply military assistance to other Near Eastern countries. Although existing legislation already provides the President with the authority to furnish military assistance to these countries on a reimbursable basis, circumstances may well make a limited amount of grant assistance essential.

All military aid, whether furnished by grants or for cash, will take into account military and economic deficiencies of each country, and the need for aid in the area to reinforce the security of the free world and the United States.

TABLE 6.—*Selected data on Greece, Turkey, and Iran (title II)*

	Greece	Turkey	Iran
Population (millions).....	7.9.....	20.9.....	17.0.
National income (millions United States dollars) Dec. 31, 1949.....	1,159.....	2,117.....	1,450.
Per capita national income (United States dollars).....	147.....	101.....	85.
Military budgets (millions United States dollars) June 30, 1951.....	182.6.....	162.1 ¹	118..
Percent military budget of national income.....	13 ²	6 ¹	7 ³
Exchange rates (units per United States dollar).....	15,020 drachmas.	2,825 lira.....	32.50 rials.

¹ Feb. 28, 1951.

² Fiscal year ending June 30, 1951.

³ Budget for year ending June 30, 1950, compared to national income for calendar year 1949.

E. THE REFUGEE PROBLEM

Since 1947 the United States has materially helped in the disposition of the refugee problem through the International Refugee Organization and the Displaced Persons Commission. United States financial contributions to the IRO have been substantial. The IRO is due to wind up by the end of this year.

Sections 204 and 205 of the bill represent the carrying on toward completion of this basic human problem. It is definitely in the interest of peace in the Near East, an area of strategic importance to the United States, to help in the solution of the problem. The committee has in the past indicated its positive interest in the refugee question. So have many Members of the House.

The committee urges that the provisions of sections 204 and 205 be carried out as promptly as possible.

The Arab refugees (sec. 204)

Some 875,000 Arab refugees from Palestine remain in a precarious condition. These unsettled people constitute the main source of unrest in the area and the principal obstacle to peace between Israel and the Arab states. Failure to provide for them would result in most serious consequences.

The United Nations has initiated steps looking toward a resettlement of many of them. About 60 percent have a rural background; it may therefore be estimated that about 500,000 will have to be resettled on the land. That solution is dependent, however, on a number of factors, among which are the availability of land and water and the willingness of neighboring countries to provide a hospitable place of settlement. Pending a final determination of these problems, there appears no alternative to measures for relief financed in large part by the international community.

Last year the United States contributed \$27,450,000 to the United Nations Relief and Works Agency for Palestine Refugees. The committee heard testimony from those representatives of the American Friends Service Committee and the Catholic Near East Welfare Association, which have been working among these people. There is no question in the minds of the members that the relief programs already undertaken must be continued. But relief is a stopgap measure. Only a portion of this sum is planned for that purpose. The balance is programed for the establishment of permanent settlements for the refugees. For that reason the committee recommends \$50,000,000 for the fiscal year 1952.

Immigration into Israel (sec. 205)

The establishment of the State of Israel has resulted in an influx of more than 600,000 Jewish refugees.

According to information placed before the committee, there were 101,622 immigrants between May 14 and December 31, 1948; in 1949 there were 243,538; in 1950, 169,831; in the first 4 months of 1951 there were 79,719; in April 1951, alone, 30,202 refugees came into the country. These immigrants included most of the remaining Jewish displaced persons in Germany, Austria, and Italy. Large numbers came from Eastern Europe. According to the testimony, most of what was left of the Jewish communities in Germany, Austria, Belgium, Yugoslavia, Czechoslovakia, Poland, Yemen, Iraq and Cyrenaica have now immigrated to Israel. As of May 1, 1951, the committee was told, 273,355 or almost half, had come from Yemen, Iraq, and other countries in the Near East and North Africa.

Section 205 of the bill, to meet this problem, authorizes the utilization for the relief and resettlement of refugees coming into Israel of not to exceed \$50,000,000 of the \$175,000,000 authorized for economic and technical assistance in Africa and the Near East. The President is to prescribe the terms and conditions governing the furnishing of aid for specific refugee relief and resettlement projects in Israel. This amount should materially assist in meeting the serious refugee problem confronted by the new state.

VII. ASIA AND THE PACIFIC—TITLE III

A. THE PROBLEM

The military situation in Asia ranges from full-scale combat operations in Korea and Indochina to minor police actions in other countries. Indochina, in addition to combating a powerful Chinese Communist-supported Viet Minh Army, faces the possibility of overt participation by Chinese Communists on a large scale.

In the Philippines, the Communist Huks continue their terroristic operations and are endeavoring to organize a larger force. In Thailand, stability exists except for smuggling requiring border patrol operations, and the constant potential threat against the internal security of the nation arising from the diverse racial elements in the country.

Threats to internal security arise from other sources also. In India, the Communists succeeded during the postwar period in establishing guerrilla bases which have, however, subsequently been brought under control. In Pakistan a recent conspiracy involving high officers of the armed forces and Communist elements was thwarted by the vigilance of Pakistan's internal security agency.

The United States interest and objectives

The region is of vital interest to the free world in general and the United States in particular. Its population accounts for approximately 50 percent of the world's population. It lies astride the vital Pacific Ocean lines of communication and it is largely contiguous with the Communist-dominated central land mass of Asia. The region contains large resources of strategic materials essential to the productivity of the free world. It produces 60 percent of the world's supply of tin, 95 percent of its natural rubber, and all of its jute. It likewise produces important quantities of such other commodities as quinine, copra, graphite, kyanite, mica, beryl, sugar, tea, pepper, and hemp. It has substantial resources of nickel, bauxite, manganese, tungsten, and other minerals. It contains the only important petroleum reserve between the Persian Gulf and California.

United States objectives in the Asia and Pacific region are:

(a) To develop sufficient military power where needed to maintain internal security and discourage Communist military aggression.

(b) To assure, in cooperation with the present free governments, that the forces of nationalism are associated with the rest of the free world instead of with communism.

(c) To assist in the creation of social and economic conditions that will permit the growth and survival of non-Communist political institutions under which the people can feel that the fulfillment of their basic needs and aspirations is being effectively sought by their own free governments.

(d) To help and encourage countries in the region to deal with problems of economic adjustment and development.

In the light of these objectives the fundamental logic of proposals for United States military and economic assistance to Asia rests on these propositions:

(a) That it is in our interest to help the free nations of Asia in resisting Soviet dominance;

(b) That United States military aid is required to enable certain countries in the area to maintain internal security and discourage Communist encroachment from without;

(c) That economic and political stability are interdependent and together increase the capacity and the will to resist internal and external Communist aggression; and

(d) That American material and technical aid is needed to assist the people of the area in dealing with their urgent economic problems so that material resources of the area may be used to the benefit of themselves and the rest of the free world.

TABLE 7.—Selected data on Far Eastern countries (title III)

Country	Population, 1949 (millions)	National income, 1949 (mil- lions, U. S. dollars)	Per capita national income (U. S. dollars)	Military budget (1950 or fiscal year 1951)	
				Millions U. S. dollars	Percent of national income
Sec. 301:					
Korea (South).....	20.2	(1)	(1)	59.6	-----
Philippines.....	19.4	2,000	103	73.5	4
Sec. 303 (general area of China):					
Taiwan.....	29.5	4 460	3 48	(1)	-----
Indochina.....	28.0	(1)	(1)	(1)	(1)
Thailand.....	18.3	650	36	14.7	2
Malaya.....	6.2	1,570	256	48.8	3
India.....	351.5	20,000	57	443.9	2
Pakistan.....	73.9	3,760	51	186.7	6

¹ Not available.

² Includes 2 million mainlanders.

³ For the year 1950.

⁴ Bulk of military expenditures made by France.

⁵ National income per capita probably higher than other countries in this area, but difference probably not as great as indicated. Source official; basis for calculation unknown.

⁶ Part of military budget financed by \$8 million contribution from United Kingdom.

NOTE: Conversion of the military budgets to dollars was done at the following exchange rates: Korea, 2,500 won; Philippines, 2 pesos; Malaya, 3,025 S\$; India, 4,775 rupees; Pakistan, 3,320 rupees; and Thailand converted at open market rates of 22 baht in 1950 and 21 baht in 1951.

Military assistance

United States military assistance to southeast Asia is designed to enable the countries concerned to establish and preserve internal security and to discourage external aggression. Specifically, it is designed to permit the accomplishment in fiscal year 1952 of the following objectives:

(a) To furnish, on a priority basis, certain major deficiencies in the equipment of the armed forces which, consistent with economic capabilities, are required to restore and/or maintain internal security and prevent Communist encroachment in the area;

(b) To provide training necessary for the proper use and maintenance of equipment furnished under the fiscal year 1952 and earlier matériel assistance programs; and

(c) To cover the costs of packing, handling, and transporting equipment to be delivered.

Each country program provides only for those priority items which it is believed are essential at this time and which the recipient country, in terms of the organization and training status of its forces, can absorb and properly utilize. Each such program will be subject

to further refinement as additional information is received from the field.

Moreover, in view of the instability of the political and military situation in the Far East, unpredictable operational and program requirements for the armed forces of the countries in this area might emerge on very short notice. Priorities of country programs must therefore be subject to adjustment to meet emergencies as they arise. Training programs are designed to supplement and make effective the matériel programs as they go forward.

Requests for the fiscal year 1952 included programs for Formosa, Indochina, the Philippines, and Thailand, and none for the countries of south Asia.

To carry out these programs this bill authorizes an appropriation of \$530,000,000 for military assistance and \$237,500,000 for economic assistance in this area. The committee believes that the adjustments which have been made in arriving at these figures authorize an amount sufficient to support a sound program.

Economic assistance

Economic aid programs for Asia and the Pacific for fiscal year 1952 are designed to help build the economic, social, and political components of national strength and to provide a stimulus to maximum self-help by the governments and peoples of these countries. It is proposed that technical assistance, supplies and, in some cases, capital goods be provided to help in the execution of projects worked out jointly with the governments concerned.

In general the country programs already begun in southeast Asia and projected for fiscal year 1952 provide aid for the following:

(a) Needed economic support of defense efforts. It is senseless to send rifles and munitions to a country unless its economy is able to provide proper food and clothing for its forces.

(b) Essential public services such as training in the fields of agriculture, fisheries, and forestry;

(c) Improved medical, sanitation, agricultural, and other services at the village level;

(d) The repair or improvement of other essential public works and services such as highways, railways, ports, inland waterways, communications, irrigation, reclamation, and storage;

(e) Improvement of public administration; and

(f) Public health.

Assistance to Korea

United States policy in Korea seeks the following objectives: (a) To repel the aggression against the Republic of Korea and to restore peace and security in the area; (b) to seek through United Nations action, the establishment by peaceful means of a unified, self-governing and sovereign Korea, independent of foreign domination and eligible for membership in the United Nations; and (c) to support the United Nations in assisting the Korean people to recover from the ravages of war and lay the political and economic foundations for a stable democratic nation.

Plans for Korea arise from action taken by the General Assembly of the United Nations establishing the United Nations Korean Reconstruction Agency (UNKRA) to provide for relief and rehabilitation in Korea. The United States has pledged, subject to the approval of

Congress, a contribution of \$162.5 million out of a total fund of \$250 million for approximately the first year of UNKRA operations in Korea.

Although the committee has recommended \$11,250,000 of this amount pending further developments there, the proposed legislation provides for the use, as part of the United States contribution to the UNKRA, of unexpended funds heretofore appropriated for economic assistance to Korea by the ECA, and also of pipeline United States-financed relief and economic assistance supplies at the time of take-over of operations from the military by the United Nations agency.

The UNKRA program, based principally on estimates provided by the unified command and by the ECA, is designed to meet needs for relief, for commodities to sustain the economy, for rehabilitation, and for technical assistance. Estimates made during hostilities, are, of course, tentative and subject to modification in the light of experience. In round figures the entire United Nations program assigns \$50 million out of the \$250 million total to food, clothing, and other items for personal consumption; \$80 million to raw materials for domestic production (mostly fertilizer); \$50 million to reconstruction materials; \$60 million to ocean transportation; and \$2 million to technical services.

An American private organization, American Relief for Korea, Inc., representing 10 agencies experienced in foreign aid, is sponsoring a drive to collect clothing, blankets, and other essential household supplies. This drive has already received the support of the House in the passage of House Joint Resolution 281.

In view of the uncertainty as to when the United Nations will be able to take over the job of Korean reconstruction and the impossibility of making any accurate estimate of the requirements of that area the committee decided to recommend an authorization of only 10 percent of the sum requested for this program amounting to \$11,250,000 (sec. 303 (a)). The United States has responsibilities in this area and is prepared to consider further action at the appropriate time.

Aid to Korean students.—The bill (sec. 302 (b)) amends the China Area Aid Act of 1950 (third proviso, sec. 202) to extend to Korean students in the United States the same educational benefits that the Congress 2 years ago made available out of unused ECA funds to selected Chinese students, and, in a few cases, to professors, who were stranded in this country.

The need for such extension arises from the fact that most of the students from the Republic of Korea who were in this country on June 25, 1950, have been cut off from financial support from their homes. Originally there were about 300 Korean students. About 150 of them have either gone home or are still able to provide the expenses of their schooling. There are almost 150 more who today are substantially stranded. They do not have even funds enough to return to their homeland. Many of them are studying medicine or law or working for their master or doctor degree. It seems clearly in the interest of our own country to enable these students to stay in school until each is able to reach his next educational objective. The alternative would be to deport them to Korea at a time when any contribution they might be able to make there is certainly far less than that which they should be able to make in the long-term future if they are permitted first to complete their training and then go back to make their knowledge and skills available in the rehabilitation of

their country and the betterment of their peoples' health, education, and living conditions.

The amendment of the China Area Aid Act does not increase the amount of money beyond that already available for the purpose of assisting students.

It may be added that each of these students from China, and the same will be true of those from Korea, is carefully investigated by the FBI. If there is any doubt as to the friendship of a given student for our country or his devotion to the genuine independence of his own, his scholarship is promptly canceled and he is deported. Of the almost 4,000 students from China who were in this country when this program was instituted, a smaller number than expected has been found to be of Communist or pro-Communist persuasion. This is probably because a student's original decision to come to the United States to study rather than to go to the Soviet Union, where all sorts of inducements were offered, indicated his attachment to the principles and values and basic concepts underlying our society rather than to Communist ideology.

The purpose of section 303 (d) of the bill is to clean up the remainder of the ECA counterpart account for Korea. Under Public Law 472, section 115 (b) 6 the final disposal of any such account is to be agreed between the country concerned and the Government of the United States subject to approval by act or joint resolution of the Congress. This bill provides for final disposition of the Korean counterpart.

VIII. AMERICAN REPUBLICS—TITLE IV

A. MILITARY ASSISTANCE (SEC. 401)

On the fundamental issues of critical importance to hemispheric and world security there is a close identity of interest and of policy among the American states. It is in the interest of the United States as well as of the other American Republics (1) that the deficiencies in the armed forces of those of the other American Republics with which bilateral agreements are concluded should be met so that they may more effectively fulfill respective roles in hemispheric security and (2) that the United States help supply such of the equipment and training and technical assistance as may be required.

Participation in missions important to hemispheric defense

In addition to existing legislative provisions which permit such help to be given on a reimbursable basis, the Mutual Security Program makes provision for military grant aid to certain countries which are able and willing to perform missions to achieve the mutual security of the United States and our friends to the south. In the language of section 401, "such assistance may be furnished only in accordance with defense plans which are found by the President to require the recipient country to participate in missions important to the defense of the Western Hemisphere."

Specific justification for the military program was voiced by Gen. Charles L. Bolté, Army Deputy Chief of Staff for Plans, during his testimony:

The Department of Defense strongly supports the President's request to grant military assistance of \$40,000,000 to Latin America. It believes that Latin-American military forces may be put in a better position to undertake in this

hemisphere defense missions which are important to the security of all the American Republics and which otherwise would have to be performed by United States forces. In most cases the requirements for United States forces for these missions can be reduced in direct proportion to the assumption of these missions by the other American Republics.

However, the armed forces of these American nations either lack much of the military equipment required for properly executing these tasks or the equipment they now have requires rehabilitation. We are, therefore, asking the Congress for authority to furnish matériel and services to those Latin governments which agree to provide forces for the execution of the specific military tasks of importance in the defense of this hemisphere. The funds we are requesting will be used only for this purpose and not for any program of strengthening Latin-American forces in general (hearings p. 1084).

Fourth Meeting of Consultation of Foreign Ministers

The committee attaches considerable importance to the role of Latin America in the new focus of the Mutual Security Program. Section 401 authorizes an appropriation up to \$40,000,000 to the other American Republics to assist our neighbors in performing their part in a vital program. In recognition of the common interests of the Latin-American Republics and our country, the United States was the prime mover in the convening of the Fourth Meeting of Consultation of Foreign Ministers of the American Republics held in Washington, March 26, 1951, through April 7. The purpose of the meeting was to reach agreement among the nations of this hemisphere on principles affecting our common defense and through which a united front might be employed in mutual security. The meeting reaffirmed the principles of collective security, self-help and mutual aid.

The Inter-American Defense Board, composed of military representatives of 19 of the American Republics, and with headquarters in Washington, will be called upon to implement most of the military aspects of the Fourth Meeting of Consultation. Resolution No. 3 of that meeting specifically relates to the Board and provides:

Inter-American Military Cooperation

Whereas the military defense of the continent is essential to the stability of its democratic institutions and to the well-being of its peoples;

The American Republics have assumed obligations under the Charter of the Organization of American States and the Inter-American Treaty of Reciprocal Assistance to assist any American States subjected to an armed attack, and to act together for the common defense and for the maintenance of the peace and security of the Continent;

The expansionist activities of international communism require the immediate adoption of measures to safeguard the peace and the security of the continent;

The present grave international situation imposes on the American Republics the need to develop their military capabilities in order, in conformity with the Inter-American Treaty of Reciprocal Assistance; (1) to assure their individual and collective self-defense against armed attacks; (2) to contribute effectively to action by the Organization of American States against aggression directed against any of them; and (3) to make provision, as quickly as possible, for the collective defense of the continent; and

The Ninth International Conference of American States, in its Resolution XXXIV, entrusted the preparation for collective self-defense against aggression to the Inter-American Defense Board, which, as the only inter-American technical-military organ functioning, is the suitable organ for the preparation of military plans for collective self-defense against aggression.

The Fourth Meeting of Consultation of Ministers of Foreign Affairs resolves:

1. To recommend to the American Republics that they orient their military preparations in such a way that, through self-help and mutual aid, and in accordance with their capabilities and with their constitutional precepts, and in conformity with the Inter-American Treaty of Reciprocal Assistance, they can, without prejudice to their individual self-defense and their internal security: (a) Increase those of their resources and strengthen those of their armed forces best

adapted to the collective defense, and maintain those armed forces in such status that they can be immediately available for the defense of the Continent; and (b) cooperate with each other, in military matters, in order to develop the collective strength of the Continent necessary to combat aggression against any of them.

2. To charge the Inter-American Defense Board with preparing, as vigorously as possible, and keeping up to date, in close liaison with the Governments through their respective Delegations, the military planning of the common defense.

3. That the plans formulated by the Inter-American Defense Board shall be submitted to the governments for their consideration and decision. To the end of facilitating such consideration and decision, the delegations of the American Republics to the Inter-American Defense Board shall be in continuous consultation with their governments on the projects, plans, and recommendations of the Board.

4. To recommend to the Governments of the American Republics: (a) that they maintain adequate and continuous representation of their armed forces on the Council of Delegates, on the Staff of the Inter-American Defense Board, and on any other organ of the Board that may be established in the future; (b) that they actively support the work of the Board, and consider promptly all the projects, plans, and recommendations of that agency; and (c) that they cooperate in the organization, within the Board, of a coordinated system of exchange of appropriate information.

The program for the American Republics authorized in title IV of this bill is in consonance with the resolution and serves as notice to our Latin-American neighbors that the United States stands ready to undertake its share of the mutual security burden on behalf of hemispheric solidarity.

B. TECHNICAL ASSISTANCE (SEC. 402)

Relation to our national interest

In the words of the Honorable Edward G. Miller, Jr., Assistant Secretary of State for Inter-American Affairs:

* * * The other American Republics share with us a common desire to protect human freedoms and national independence. * * * Latin America is a major source of the raw materials upon which United States industry depends. The present emergency only emphasizes the importance of our sister republics in that respect. As pointed out in documents already made available to this committee, Latin America provides the major share of some twenty items on our stockpile list. These include such items as wool, copper, lead, nitrate, and sisal fiber. Trade between the United States and Latin America in 1950 was valued at more than \$5 billion. Private United States investment in Latin America in 1950 approximated \$6 billion. I do not intend to overemphasize the importance of the economic relations between the United States and Latin America but I do think that they must be given thorough consideration in the discussion of the program before you. The importance of obtaining the essential materials for defense as well as for our own civilian economy while at the same time assuring that Latin America receives a fair share of the goods she needs is unquestioned.

* * * we are requesting increased funds for the technical-cooperation program. Neither private capital nor the public-lending institutions are equipped fully to supply the great need to improve agriculture, health, and education. It is these services which touch the individual upon whom the strength of each nation depends. It is for this purpose that we are requesting \$22,000,000 for both bilateral and multilateral programs of technical cooperation in Latin America in fiscal year 1952. This amount, together with the facilities for public lending which will be available through the International and Export-Import Banks, will enable us to carry forward a vigorous and comprehensive program of economic development in Latin America consistent with our own national self-interest and the deep friendship which the people of this country have for the people of the nations to the south (hearings pp. 1080, 1082).

Relation to our national security

The importance of technical assistance in the pattern of mutual security was stressed by the Honorable Nelson Rockefeller during his testimony before the committee:

I think perhaps one of the questions which must be in the minds of everybody here—and I know it is in the minds of a great many people in the country—is, Why should we be worried about the problems of international development at a time when we are so concerned with our own national security? When we have to spend so much money on our own security problems, how can we afford to be concerned about international development?

It seems to me that the answer to these questions is really the crux of the problem before us. In order to find the answer, I think one has to examine the question of what is the basis of our national security. Then find the relationship of our national security to international development.

Last year, in recommending the Act for International Development, this committee gave full consideration to technical assistance. It recognized then, as it does now, that the Act for International Development offers United States leadership in areas where improved economic and social conditions can contribute directly and indirectly to the security of the free world and the United States.

Activities of Institute of Inter-American Affairs (IIAA)

Under the act for International Development, the Administrator of the technical cooperation program has been given responsibility "to coordinate and direct existing and new technical cooperation programs."

There were two existing technical cooperation programs in Latin America when the act was passed. One was the program of the Institute of Inter-American Affairs. The other was the scientific and cultural cooperation program being carried out under the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.). These programs have been continued in 1951 under the policy direction of the Technical Cooperation Administration (TCA).

The IIAA activities which became a part of Point 4 involved an expenditure of approximately \$5,000,000 per annum. The Institute has been operating comprehensive country programs in the three fields of health and sanitation, education, and food supply. During 1951 expansion of a number of the Institute's going programs have been authorized. In addition, funds have been allocated to it for the initiation of four new programs in education, three in health, and three in food supply. The IIAA now has a total of 10 country programs in education, 17 in health and sanitation, and 7 in food supply.

Of the \$11,300,000 authorized for projects in Latin America during 1951, \$8,826,000 was made available to the IIAA. The remaining \$2,747,000 was used primarily for the continuation and expansion of projects which had been carried on previously by participating United States Government agencies under Public Law 402. About 60 percent of this amount (\$1,459,000) was allocated to the United States Department of Agriculture and the remaining 40 percent went primarily to the Departments of the Interior, Commerce, Labor, and to the Federal Security Agency.

The Department of Agriculture is responsible to TCA for rubber development work in 10 Latin-American countries and is undertaking agricultural research work in about a dozen countries. For example, it is working on kenaf in Cuba, tobacco in the Dominican Republic, forestry in Panama, and projects in entomology in Colombia. In a few instances some work has been done by the United States Department of Agriculture also in agricultural extension in countries where there are no IIAA food-supply programs.

The Commerce Department has been asked to undertake projects in a number of countries in civil aviation, highways, geodetic surveys, and technical standards. The Interior Department's projects are in irrigation, mineral resources, fisheries, and geological investigations. The Federal Security Agency has a few projects under way in specialized fields of health.

An excellent beginning has been made in Latin America. The *servicio* device developed by the IIAA involving joint organizations within the structure of the host government, joint contributions to program funds, and strong emphasis on the training and use of local personnel, is one of the most effective mechanisms yet developed for carrying on technical cooperation activities.

It is not possible to state definitely at this time what portion of the \$18,000,000 requested for bilateral programs in Latin America in 1952 will be utilized through the mechanism of the IIAA. This will depend upon actual program requests from the governments concerned and upon negotiations to be undertaken when funds become available. It appears probable, however, that the portion will be from two-thirds to three-fourths of the total Latin-American program in 1952.

The following table illustrates the wide scope of the technical assistance projects and the United States Government cooperating agencies:

TABLE 8.—*Technical assistance field projects in operation in Latin America as of June 30, 1951*

Country and field of activity	Cooperating agency	Number of experts in the field	
		By project	Country total
Bolivia:			
Health and sanitation	IIAA	6	
Education	do	7	
Mineral resources	Department of Interior	3	
Agriculture	Department of Agriculture	5	
Civil aviation	Department of Commerce	1	
Child welfare	Federal Security Agency	1	23
Brazil:			
Health and sanitation	IIAA	19	
Education	do	9	
Mineral resources	Department of Interior	13	
Agriculture	Department of Agriculture	5	
Rubber development	do	1	
Child health	Federal Security Agency	1	
General economic development joint commission.	Department of State	4	52
Chile:			
Health and sanitation	IIAA	4	
Food supply	do	2	6
Colombia:			
Health and sanitation	IIAA	4	
Civil aviation	Department of Commerce	1	
Rubber development	Department of Agriculture	2	
Agricultural research	do	1	
Mineral resources	Department of Interior	1	
Highways	Department of Commerce	1	
Housing	HHFA	1	11
Costa Rica:			
Food and agriculture	IIAA	7	
Health and sanitation	do	3	
Rubber development	Department of Agriculture	4	
Tariff	Tariff Commission	1	
Highways	Department of Commerce	1	
Water power development	Department of Interior	1	
Government administrative and services	Various agencies	3	20

TABLE 8.—*Technical assistance field projects in operation in Latin America as of June 30, 1951—Continued*

Country and field of activity	Cooperating agency	Number of experts in the field	
		By project	Country total
Cuba: Kenaf fiber development	Department of Agriculture	3	3
Dominican Republic: Education	IIAA	2	2
Ecuador:			
Health and sanitation	do	8	
Education	do	3	
Agriculture	Department of Agriculture	10	
Civil aviation	Department of Commerce (CAA)	1	22
El Salvador:			
Agriculture	Department of Agriculture	6	
Health and sanitation	IIAA	5	
Education	do	1	12
Guatemala:			
Health and sanitation	do	6	
Agriculture	Department of Agriculture	7	
Rubber development	do	2	16
Haiti:			
Food and agriculture	IIAA	9	
Health and sanitation	do	7	
Rubber development	Department of Agriculture	2	18
Honduras:			
Health and sanitation	IIAA	3	
Food and agriculture	do	4	
Highways	Department of Commerce	1	8
Mexico:			
Health and sanitation	IIAA	8	
Geologic investigations	Department of Interior	4	
Minerals and mining	do	2	
Fisheries	do	2	
Rubber development	Department of Agriculture	3	
Maternal health	Federal Security Agency	1	20
Nicaragua:			
Health and sanitation	IIAA	2	
Agricultural collaboration	Department of Agriculture	3	
Education	IIAA	2	
Hydroelectric survey	Department of Interior	6	13
Panama:			
Education	IIAA	9	
Agricultural collaboration	Department of Agriculture	14	
Civil aviation	Department of Commerce	1	
Health and sanitation	IIAA	1	25
Paraguay:			
Food and agriculture	do	11	
Education	do	9	
Health and sanitation	do	7	
Economic Development, joint commission	Department of State	6	33
Peru:			
Food and agriculture	IIAA	13	
Education	do	10	
Health and sanitation	do	9	
Rubber development	Department of Agriculture	1	
Fisheries	Department of Interior	1	
Geologic investigations	do	1	35
Uruguay:			
Health and sanitation	IIAA	1	
Food supply	do	2	3
Venezuela:			
Health and sanitation	do	6	
Civil aviation	Department of Commerce	2	8
American Republics regional:			
Education	IIAA	9	
Health and sanitation	do	7	
Agriculture	Department of Agriculture	4	
Rubber development	do	2	
Census	Department of Commerce	7	
Vital statistics	Federal Security Agency	3	
Labor law administration, etc.	Department of Labor	1	
Labor statistics	do	1	
Government administration and services	Various agencies	7	
Agricultural statistics	Department of Agriculture	1	42

The following table shows the breakdown, by functions, of programmed United States bilateral technical assistance:

TABLE 9.—Summary by function, of projected United States bilateral programs of technical cooperation in the other American Republics, fiscal year 1952

	Technicians		Trainees		Grants and materials	Total cost to United States
	Number	Cost	Number	Cost		
1. Joint commissions and surveys.....	27	\$306,450	-----	-----	\$73,500	\$379,950
2. Agriculture, forestry, and fishery....	342	3,881,700	179	\$680,200	2,015,895	6,577,795
Rubber development.....	37	419,950	-----	-----	363,254	783,204
3. Education.....	117	1,327,950	80	304,000	660,000	2,291,950
4. Health and sanitation.....	200	2,270,000	100	380,000	1,850,000	4,500,000
5. Industry and labor.....	13	147,550	75	285,000	12,000	444,550
6. Transportation.....	42	476,700	55	209,000	14,915	700,615
7. Mineral resources.....	49	556,150	26	98,800	157,415	812,365
8. Water power development.....	21	238,350	30	114,000	37,100	389,450
9. Government administration and services.....	53	601,550	132	501,600	16,688	1,119,838
Total.....	901	10,226,350	677	2,572,600	5,200,767	17,999,717

The committee shares the view expressed by the Hon. Adolf A. Berle, Jr., former Assistant Secretary of State, and later Ambassador to Brazil, of the end result we seek in the technical assistance program:

The product, the end result, must be a peasant or an artisan in Burma, or in Iran, or in West Africa, or in Chile or Brazil, who sees that he is taking the first step, however short, toward getting benefits of the amazing industrial civilization and comforts of the twentieth century. One hundred first-class, able and devoted, though wholly obscure, operators in the field are worth a thousand administrators and subadministrators, clerks and so on, in Washington * * * the man in the field who is doing a job is what this is all about. (Hearings, p. 624.)

TABLE 10.—Selected data on Latin-American countries

Country	Midyear 1949 population (thousands)	National income 1949 (millions of United States dollars) ¹	Per capita national income (United States dollars) ¹	Military budgets ² (millions of dollars)	
				1951	1952
Argentina.....	16,555	5,722	346	³ 182.7	
Bolivia.....	3,990	221	55	9.4	(4)
Brazil.....	49,340	5,530	112	428.2	425.5
Chile.....	5,709	1,070	188	138.1	198.5
Colombia.....	11,015	1,456	132	36.4	42.1
Costa Rica.....	837	105	125	(5)	(4)
Cuba.....	5,199	1,550	296	(6)	42.1
Dominican Republic.....	2,277	170	75	18.5	19.8
Ecuador.....	3,378	134	40	5.6	5.5
El Salvador.....	2,150	197	92	4.2	4.6
Guatemala.....	3,784	293	77	5.0	(4)
Haiti.....	3,750	150	40	3.5	(4)
Honduras.....	1,326	110	83	2.0	(4)
Mexico.....	24,448	2,960	121	41.2	43.5
Nicaragua.....	1,184	105	89	2.3	(4)
Panama.....	764	140	183	(7)	(7)
Paraguay.....	1,304	109	84	5.4	(4)
Peru.....	8,240	820	100	22.5	29.3
Uruguay.....	2,353	779	331	(6)	18.4
Venezuela.....	4,595	1,478	322	51.3	(4)
Total.....	152,198	23,099	150	⁸ 930	⁸ 1,000

¹ Source: Statistical Office of United Nations, National and Per Capita Incomes Seventy Countries, 1949, October 1950; converted from local currency to 1949 United States dollars at various rates.

² Converted to United States dollars at IMF parity exchange rates except for Peru and Uruguay. In these countries the exchange rate used was 15 soles and 1.90 pesos per United States dollar, respectively. The year is for January through December except as follows: in Argentina, Costa Rica, Cuba, Guatemala, Honduras, Nicaragua, and Venezuela the year covered ends June 30, 1951, and 1952, respectively; for Haiti it covers the period ending Oct. 31.

³ New budget law covered appropriations for both fiscal year 1951 and 1952.

⁴ Not available.

⁵ No Army Establishment. In 1951, \$1.6 million was appropriated for Ministry of Interior and Police.

⁶ Cuba and Uruguay had no formal budgets in 1950. During 1949 defense costs were about 17.2 percent of total Government expenditures in Cuba and 14 percent of total in Uruguay.

⁷ No Army Establishment. State police appropriation approximately \$3.1 million in 1949.

⁸ Rounded upward to take account of military budgets not available.

IX. THE NEED FOR REORGANIZATION

A. NATURE OF THE AID PROGRAM

The present emphasis on the foreign-aid program as an integrated whole of complementary parts brings the organizational problem into sharp focus. Foreign aid is not an end in itself but the handmaiden of national policy, and orderly and efficient operation is imperative.

In the period since the end of the Second World War, United States foreign-aid programs have been developed on a "single purpose" basis, each designed to accomplish certain specific functional objectives.

This year the executive branch presented all of the existing programs in a "single package" with other recommendations designed to make a "total" program. The presentation of the request gave the committee and the Congress an over-all view of this country's foreign-aid efforts. It also revealed the weaknesses of the scattered organizational structure. It became abundantly clear that if foreign assistance—as a policy important to the security of the United States—is to have maximum effect as a total concept a fresh approach to administration is in order.

B. PRESENT ORGANIZATION

The authorization of single-purpose programs at different times and for different specific purposes has resulted in an organizational structure that, like Topsy, "jes' grew." The European recovery program was a going concern when the Mutual Defense Assistance Program came into being; and both of these were already operating when the point 4 (AID) program was inaugurated. At the direction of Congress, economic assistance programs are being carried on in Southeast Asia under the Economic Cooperation Administration. Each of these foreign assistance programs had an organization suited to its purposes.

In Europe, the emergence of the North Atlantic Treaty Organization, the tapering off of the European recovery program, and the shift to "economic support for defense" raised new organizational problems. New staffs emerged, more and more officials began to "wear two or more hats." Existing organizational arrangements of ECA in Europe were used to service some of the new functions, and new staffs emerged for NATO matters. At home, an interdepartmental coordinating committee was created—the International Security Affairs Committee, ISAC—working under the chairmanship of the Director of International Security Affairs (the Mutual Defense Assistance Program) in the Department of State to coordinate military and economic assistance operations of the Department of Defense and ECA.

This arrangement leaves much to be desired. In an article, United States Foreign Economic Policy, the editors of Fortune give this example of what happens:

On the theory that French factories might help supply Europe's jeep shortage, the DPB [Defense Production Board] sent production teams to survey French automotive capacity. Their report being favorable, the French were notified that MDAP would entertain a request for financial aid for jeep construction. The French offered NATO a model made by Delahaye, which Washington experts on automotive equipment had already admired, and suggested that NATO order 400 Delahaye jeeps per month. But when Pentagon and United States Embassy men in Paris went out to inspect the Delahaye plant, they found it was not

equipped for mass production and would require a big investment to meet the order, and that other French factories could do it quicker. Willys offered to help Simca fill the order, other French bidders turned up, but the French Government continued to insist on Delahaye for reasons that seem unfathomable except on a theory of scandal. At this point ECA and the State Department split completely over what to do next. The former wanted to bring strong pressure on the French Government; the latter said no, it's an internal matter. The Pentagon was indifferent. So far, no French jeeps (August 1951, p. 72).

The Technical Cooperation Administration, guiding the Point 4 program, has from the beginning been in the Department of State, but the Administrator of TCA is not a member of ISAC. In the underdeveloped areas, ECA and TCA have been operating similar programs and development operations under ECA are being carried on in underdeveloped dependent overseas territories of European countries. This organizational anomaly is described by the editors of *Fortune* as follows:

The sharpest bureaucratic struggle in Washington right now is that between ECA and State over Technical Assistance, which is State's point 4 program and ECA's aid projects outside of Europe. In practice, ECA and State both borrow their experts from the same departments, such as the Federal Security Agency and Agriculture, and until a few months ago both sometimes operated in the same countries, stepping on each other's toes. The Bureau of the Budget finally arranged a treaty, like Pope Alexander VI dividing the New World between Portugal and Spain. ECA is now confined mostly to countries close to the iron curtain, where its greater sense of urgency is useful. But State's TCA, * * * is fighting so aggressively for the whole of any further point 4 appropriations that the actual decision will probably be made, not in the White House or Bureau of the Budget, but in Congress (August 1951, pp. 72-73).

In his recommendation to the Congress, the President asked only for authority to add positions in the so-called supergrades to reinforce ISAC. Organizational arrangements in the field would not be changed. And the Budget Bureau's peace treaty would govern the operations of the Technical Cooperation Administration and ECA in underdeveloped countries.

C. THE COMMITTEE DECISION

The executive branch presented the 1952 program in a single package, designed to give the committee and the Congress a total view of the foreign assistance requirements for our security.

The difficulties experienced by the various agencies of the executive branch in developing a coordinated presentation of all elements in this complex program reflects the confused organizational history described above as well as certain inherent weaknesses in the present organizational structure which calls for immediate correction.

In the opinion of the committee, the present organizational structure does not make sense in terms of a total program of foreign assistance. Accordingly, the committee gave careful attention to this problem and developed for the consideration of the House a new structure to fit the new approach to the aid program.

X. BASIC PRINCIPLES OF COMMITTEE'S ORGANIZATION PLAN

The committee's organization plan embodies these essentials:

A. At home:

1. A single centralized agency for mutual security through economic, technical and military assistance; except for the furnishing of military end-items, training and technical assistance; with its head having direct access to the President.

2. Operating responsibility for military end-item assistance resting in the Secretary of Defense.

B. Abroad:

1. A "theater commander" for the economic aid program in Europe and authority to have one in each of the major United States aid "theaters" of the world.

2. Special mission in each country within the diplomatic mission.

C. Arrangements for coordination between the Departments of State and Defense and the Mutual Security Administration at the highest levels at home and abroad.

The type of organizational structure proposed in this bill has been tested in operation and is sound. But this does not mean that the committee's plan is simply ECA with a new name.

The organization plan in title V of the bill, developed by the committee itself without help from the outside, generally reflects the findings of most of the other private and public groups that have analyzed the problem.

XI. THE NEW STRUCTURE

A. TYPE OF ORGANIZATION, NAME, CHIEF OFFICERS, RANK, SALARY (SEC. 501 (A) AND (B))

The bill creates a separate independent agency, the "Mutual Security Administration." Its head is the "Mutual Security Administrator" to be appointed by the President and confirmed by the Senate. The Administrator will have the same rank and receive the same salary as the head of an executive department. This does not automatically make the Administrator a Cabinet officer. However, in view of his responsibilities and the relationship he must necessarily have with other executive departments, this rank and salary are necessary.

The Administrator will have a "Deputy Mutual Security Administrator," to be appointed by the President and confirmed by the Senate. This officer will have the rank and salary of an under secretary of an executive department. Some of the proposals considered by the committee recommended the provision in the law of "Assistant Administrators," having rank and salary comparable to assistant secretaries of executive departments. The committee did not feel this was necessary; indeed, it might be unwise. Section 501 (c) of the bill permits him to appoint sufficient top-grade subordinates whose responsibilities and salary will be comparable to assistant secretaries in the established departments.

B. EMPLOYEES (SEC. 501 (C) TO (H))

At home

The bill authorizes the Administrator to employ persons for duty within the United States under existing laws and to pay them at rates now provided for classified employees.

Section 501 (c) creates a special class of employees that may be divided into two parts—those within the grades of the Classification Act and those beyond it. The committee is well aware that the job to be done is a big one; it is also well aware that people of the highest competence will be required. Accordingly, the bill provides for 100 employees in and above the \$11,200, or GS-16, level. These are not in addition to those presently provided in the Economic Cooperation Act. By the terms of this bill, transfers of employees are possible, but if any "Supergrades" are transferred, they must be charged against the total limit of 100. Of the 100 employees, 25 may hold positions higher than \$14,000 (GS-18) but not more than \$15,000. This does not mean that the Administrator must divide the positions and employ people in this manner. The committee expects the Administrator to secure the talent at the rate it is worth; section 501 (c) is not an invitation or an advertisement that 25 positions paying \$15,000 a year are now available.

It is a common practice in the executive branch to permit personnel belonging to the agency to be "loaned" to other agencies, or to permit employees to be assigned to another department to perform functions related to those of this agency having primary responsibility. Personnel "on loan" are carried on the rolls of the "loaning" agency and are paid by it, even though they are working elsewhere. Personnel assigned to an agency performing related functions are carried on the rolls of that agency, and are paid by it, but the agency is reimbursed by the agency performing the primary function. So far as the "super-grade" positions are concerned, the words "employed by the Administrator" in section 501 (c) mean that these positions apply only to positions in the Mutual Security Administration. In creating these positions, the committee does not intend to create a reservoir of positions and personnel available "on loan" or otherwise to other agencies performing functions related to those of the Mutual Security Administration.

Abroad

Section 501 (d) provides the arrangements to govern compensation and status of Mutual Security Administration personnel abroad. The Foreign Service Act of 1946 provides a scale of pay and benefits similar in nature to the Classification Act and the civil-service laws for personnel in the United States. Section 501 (d) provides three methods for staffing the overseas functions: (1) direct employment for overseas duty; (2) assignment to foreign duty of personnel already employed by the United States; and (3) appointment of personnel to the Foreign Service reserve or staff for duty abroad. Section 501 (d) does not require all personnel abroad to be members of the Foreign Service reserve or staff; it permits those not in the Foreign Service reserve or staff to receive the same pay and benefits as those in that group.

Loyalty investigations

Section 501 (b) incorporates presently existing loyalty and security investigation requirements for those who will be involved in the Mutual Security Program. The purpose of this section is to preserve the already expressed will of the Congress. The Secretary of State is concerned here largely because the Foreign Service Act of 1946 vests in him the formal duty of appointing persons to be governed by that act.

There are two exceptions to the requirements of section 501 (b). One is Presidential appointees, a normal procedure. The other applies to those "previously investigated and certified." The purpose of this exception is to permit the Mutual Security Administration to get underway without bringing all operations to a halt. This would happen if a new investigation and certification was required for all employees of the Administration. Anyone who has not been investigated and certified must be processed in this respect before he can be employed. The national interest is adequately protected by exempting previously investigated and certified employees from a new investigation that might be otherwise required merely because they are employed by the new agency.

C. FUNCTIONS OF THE ADMINISTRATOR

Powers and functions of the Administrator (sec. 502 (a))

The theory of this provision is straightforward: With certain definite exceptions the Mutual Security Administrator is to be responsible for the administration of the powers, duties, and functions now vested in the chief officers responsible for the Economic Cooperation Act of 1948, the Institute of Inter-American Affairs Act, the Mutual Defense Assistance Act, the Act for International Development, and the Far Eastern Economic Assistance Act. Elsewhere in the bill, some of these acts—notably the Economic Cooperation Act—have been broadened to apply to areas formerly excluded to them. But this does not alter the powers and functions of the Administrator; he is responsible for the administration of those acts wherever they apply. The total effect of section 502 (a) is to make the Administrator responsible for programs of economic assistance in Europe, economic and technical assistance in the underdeveloped areas; and to give him a substantial voice in military assistance to all the areas covered by the act. This includes the Point 4 program, now carried on under the act for International Development and the Institute of Inter-American Affairs Act.

Although the Administrator will assume the functions established by the Congress in several different acts, the purpose of uniting these functions in a single agency is to enable—indeed, to require—the Administrator to develop an integrated organization and an integrated program out of all of them. This purpose has special significance as regards assistance in the underdeveloped areas. At present, ECA and TCA are both operating programs in underdeveloped areas. Part of ECA's operations are without doubt "Point 4 type." Centralized administration could eliminate this duplication.

Some fear that the Point 4 program will be swallowed up in the new agency since it is not a "big money" program. If the Administrator uses judgment, this fear is groundless. Sound administration will

favor the creation of some internal organizational concept for all underdeveloped area activities that will permit the full utilization, side by side, of the type of technical cooperation techniques developed in the Point 4 program and the techniques developed under the Economic Cooperation Act for development activities. Such an arrangement would permit integration of function rather than a division based on the present arrangement, which is essentially a duplication of function having no reasonable basis.

The Administrator has the responsibility for carrying out the Mutual Defense Assistance Act, subject to certain exceptions. Briefly speaking, the operating responsibility for this program is in the Secretary of Defense, but this does not at all mean that the Secretary of Defense has complete authority to conduct the Mutual Defense Assistance Program. The Administrator retains substantial powers in this program, as he must if the "total" idea of foreign assistance is to have meaning.

Powers reserved to the President and other officers

(a) *Other officers.*—The wording of section 502 (a) which transfers to the Administrator

The powers and functions conferred upon (1) the Administrator for Economic Cooperation * * * (2) the Secretary of State * * *; and (3) the President * * * except * * *

is deliberate. In each of these acts, primary responsibility was vested either in a chief officer or in the President who was authorized to delegate the responsibility. Section 502 (a) transfers to the Administrator the powers and functions vested in the chief officers such as the Secretary of State in the Institute of Inter-American Affairs Act and the President or his delegated agent in the Act for International Development.

Each of these acts, however, gave other officers of the Government certain powers. In the Economic Cooperation Act, for example, the Secretary of Agriculture exercises powers relating to surplus agricultural commodities; in the Mutual Defense Assistance Act the Secretary of Defense has powers relating to nonexcess military equipment or materials and a veto power on the transfer of any such materials or equipment out of our military stocks. In the Economic Cooperation Act, the power to conclude bilateral agreements was vested in the Secretary of State, after consultation with the Administrator. The effect of the wording of section 502 (a) (1) (2), and (3) is to leave these powers undisturbed.

(b) *The President.*—Section 502 (a) (3) reserves to the President the following powers:

(1) The power to make appointments by and with the advice and consent of the Senate.

(2) The power to conclude international agreements.

(3) The power to transfer military assistance funds and, more importantly, the power to provide assistance under certain conditions to European nations not members of the North Atlantic Treaty Organization (sec. 408 (c) of the Mutual Defense Assistance Act).

(4) "Such other powers as the President may reserve to himself or delegate to the Secretary of Defense."

The first three of these exceptions are quite clear. The power of appointment is in the President by constitutional fiat; it cannot be

changed. The power to conclude international agreements involves a formal relationship between governments. The President as the "sole representative" of the Nation with foreign nations must have control over this power. The powers in section 408 (c) of the Mutual Defense Assistance Act involves considerations of high national policy, and the ultimate power of decision must clearly rest in the highest level of government.

In withholding from the new Mutual Security Administrator "such other powers as the President may reserve to himself or delegate to the Secretary of Defense," the committee has spoken with as much precision as is practicable in view of the broad powers of the acts he must administer.

The purpose of the language in section 502 (a) (3) is to make it clear that the President is (1) to reserve to himself those powers which should remain the sole function of the Chief Executive (and which he is not to delegate) and (2) to confer on the Secretary of Defense those operating functions which his Department is by responsibility and capacity particularly fitted to perform. This reservation and this power to delegate are not general and are not intended to prejudice the single agency theory of this bill.

One of the powers specifically reserved is that of allocating appropriations made to the President. This would mean the normal power the Bureau of the Budget, acting for the President, now has to allocate appropriations to agencies, and, if the President were required to reduce appropriations as he was directed to do in the fiscal year 1951, the power to withhold funds. But this does not imply any such allocation or other action as would impair the new Administrator's ability to carry out the central responsibility for the program which it is the committee's clear intention to lay upon him.

The Administrator and the Secretary of Defense (sections 502 (a) and 509)

Sections 502 (a) and 509 must be read together to understand the division of power between the Administrator and the Secretary of Defense on the military end items and related technical assistance aspects of the Mutual Defense Assistance Program. Operating responsibility for this aspect rests not in the Administrator but in the Secretary of Defense. The essential features of his primary responsibility are these:

- (a) The determination of military end-item requirements.
- (b) The procurement of military equipment in a manner which permits its integration with Service programs.
- (c) Establishment of priorities in procurement and deliveries, the allocation of military assistance between recipient countries, and the apportionment of funds as transferred to him by the President between Services and countries within each area specified in the act.
- (d) The supervision of end-item use by the recipient countries.
- (e) The supervision of the training of foreign military personnel.
- (f) The movement and delivery of military end items.

The language of section 509 is designed to cover these. But there is more to a military-assistance program than the functions enumerated above. All of them must function within a framework of foreign policy that includes political, economic, and strategic considerations.

These cannot and should not be vested exclusively in the Secretary of Defense; and the Secretary of Defense does not covet this authority.

The Administrator and the Secretary of State must, and will, have a voice in the policy considerations upon which a military program is based. This is provided through the "country team" and the "theater command" abroad. At home, it means that the Administrator must have a full voice on policy considerations, as important a voice in his field as the Secretary of Defense has in his.

Several considerations led the committee to adopt the provisions of section 509. The military end items supplied from funds voted to the Department of Defense under regular appropriations and to the President under the authorizations of the Mutual Defense Assistance Act are practically identical and have an identical purpose—to contribute to the security of the United States. The furnishing of such equipment for our forces and for allied forces should comprise a single supply program rather than two programs competing for the limited facilities we presently are devoting to military production. Further, the procurement and allocation of military end items is essentially a matter of military judgment. Once it has been determined that a particular country is to receive military end item assistance from this country—a political and economic decision—the amount and type of assistance is a matter of military competence.

Ambassador Milton Katz, United States Special Representative in Europe for ECA, succinctly outlined this function in his testimony before the committee:

I would say that in the case of the military end product assistance it is necessary to handle it in such a way that the Defense Establishment retains responsibility for two primary functions:

First, they have to determine the military requirements. Is this thing really needed?

Secondly, they have to do the actual procurement and handle the physical process of delivery to get the weapons to the forces to which they have been assigned (hearings pp. 1377-1378).

Prior to the assignment of military equipment to a particular recipient nation from this country, consideration must be given to the political and economic factors and to the over-all strategic role of that nation and to its ability to arm itself. Provision is made for an assessment of these elements by the screening process described above and by requiring the Secretary of Defense to consult with the Joint Chiefs of Staff and the Administrator subject to Presidential review if necessary (sec. 503). After a decision has been reached through this consultative process, the Secretary of Defense may do three things:

- (1) He may furnish military end items up to the limit of any appropriation authorized for this purpose by this act;

- (2) He may furnish military end items from production procured from appropriations to his own Department, provided the total furnished under all appropriations does not exceed 11 percent of our total production of materials of war in the last 3 years; and

- (3) He may transfer to foreign countries military end items which may have been produced from these appropriations and which he will replace from appropriations made under this act.

The Department of Defense appropriation bill for 1952 has only passed the House. Assuming no change in the sums voted by the

House, the 1952 appropriation for end items will be about \$29,000,000,000. In 1950 the figure was \$2,500,000,000; in 1951, \$22,700,000,000—a total for the 3 years slightly in excess of \$54,000,000,000. About \$2,500,000,000 should be deducted from that figure for the construction and conversion of ships that cannot be transferred under the provisions of Public Law 3 of this Congress. This leaves a figure of about \$52,000,000,000 voted for military end items in the last three fiscal years. Eleven percent of this figure is \$5,700,000,000—a sum for all purposes identical to that for which authorization is requested for military purposes in this bill.

Membership in other organizations of the Government (sec. 504)

Subsection (a) of this section makes the Administrator a member of the National Advisory Council on International Financial and Monetary Problems (NAC). This is the group that coordinates and determines United States foreign loan and other financial and economic policies. It is this group that determines the terms of loans made under the Economic Cooperation Act. The Mutual Security Administrator takes the place on this Council held by the Administrator for Economic Cooperation whose position is abolished by the terms of this bill.

The responsibilities of the Administrator involve questions of high policy, many of which are considered and determined on the National Security Council, whose membership includes the Secretaries of State and Defense.

Under existing law, the Administrator is not eligible for membership in this body. The committee does not wish to make him a member by operation of law; it does desire to make him eligible for membership. Section 504 (b) does this.

Public Advisory Boards (sec. 505)

Section 505 of the bill retains the existing Public Advisory Boards created to consult with the Economic Cooperation Administrator and the Administrator of the Point 4 program (TCA) but directs them to advise and consult with the Mutual Security Administrator. This may seem like duplication; in fact, it is not. The Public Advisory Board acting under the Act for International Development deals with different problems than the ECA Board; and its members have different specialties and interests; both should be heard by the Mutual Security Administrator.

D. RELATIONSHIP WITH OTHER DEPARTMENTS (SEC. 503)

A foreign-assistance program cannot be carried on as an end in itself without reference to the many other aspects of foreign and military policy that together comprise the foreign aspect of our national policy. Foreign operations must conform to policy.

Aside from the President, who is the one officer of the executive branch responsible for its total operation, no one executive department has a monopoly on foreign-policy formulation. The military and the foreign-assistance objectives of the United States are as much a part of our foreign policy as the political and economic objectives. To be successful, the operation of the Mutual Security Program must reflect all the considerations that affect national policy. But the foreign-assistance program must be so arranged that assistance can be given

its proper perspective. This the committee has done in its proposal of a single agency.

The opinion has been widely expressed that the creation of a new structure of the type proposed in this bill will relegate the Secretary of State to a subordinate position. The committee's judgment is that the organization in this bill has no such effect. If the proposals in this bill foreclosed the Secretary of State from enforcing policy considerations within his field of responsibility, there would be cause for real concern. Section 503 is in the bill to make sure that this situation does not develop. Policy is a coordinate responsibility and the provisions of this bill are intended to make that point clear.

It may also be argued that transferring the Point 4 program out of the Department of State robs the Secretary of an important function. According to testimony given the committee, the Point 4 program has operated rather independently within the Department of State, and shifting it to the Mutual Security Administration would not seriously hamper the Secretary of State in the performance of his functions. The following interchange between the Honorable John M. Vorys and Dr. Henry G. Bennett, Administrator of the Technical Cooperation Administration, illustrates the point:

MR. VORYS. In the Department of State, who is your boss?

DR. BENNETT. Well, sir, I have never found out yet. Frankly, I think that I should clarify that statement. The Secretary of State is easily accessible. I see him every week. I meet with the Assistant Secretaries two or three times a week. The cooperation and good will which I found there has been most comforting. They have in effect given me the freedom of the lodge. I am not tied down, but I am working in effect as an independent agent, attached to the Department of State and having their full and wholehearted cooperation.

To assure an equal opportunity to have all the considerations of policy reflected in the decisions, section 503 of the bill provides a procedure for coordination at home, and a means of insuring one set of instructions to those representing the United States abroad. Under this procedure, the Secretary of State, the Administrator, and the Secretary of Defense must keep each other informed on matters of concern to all. In addition, a right of consultation is reserved to each on matters affecting his field of responsibility and a direct channel to the President for final decision if agreement cannot be reached. This procedure operates under the control of the President; the Mutual Security Administrator is no more independent of the President than are the Secretaries of State and Defense.

It may be argued that the total effect of section 503 means a "built-in ISAC" in the organizational structure and that an "ISAC" is inevitable. This is not the case. ISAC did not appear until December 1950, and it succeeded the Foreign Military Assistance Coordinating Committee (FMACC). No such coordinating committee was necessary to conduct ECA operations during the year preceding the inauguration of the Mutual Defense Assistance Program. An ISAC became necessary not because coordination inevitably means "government by committee," but because control of the Mutual Defense Program was vested in the Department of State, which did not have any operating functions under the program, these being vested in ECA and the Department of Defense.

The organization proposed in this bill puts control of the operating functions in the operating agencies and provides adequate channels of coordination under the control of the President. This does not deny

the Secretary of State any powers; it assures him, and the others, full exercise of the responsibilities entrusted to them.

E. OVERSEAS ADMINISTRATION (SECS. 506, 507)

Mutual Security Representatives

The bill provides for a United States Mutual Security Representative in Europe appointed by the President with the advice and consent of the Senate to supervise the Mutual Security Program in Europe. Three other regional Mutual Security Representatives may be appointed at the discretion of the President. Provision is made for a Deputy Regional Mutual Security Representative in Europe. The Mutual Security Representative in Europe is to receive his instructions from the Administrator in Washington, but is required to keep the Secretary of State and the Secretary of Defense fully informed concerning his activities as well. He is to coordinate the Mutual Security country missions which are to be organized and is required to keep the chiefs of all United States diplomatic missions in his area informed concerning his activities.

These arrangements follow closely those set up under existing legislation which have worked satisfactorily.

Mutual Security Representatives in Europe

A new problem has arisen in Europe, however, because of the existence of the North Atlantic Treaty Organization with its headquarters in London. The principal United States member of the NAT Organization, who is in charge of the European staff connected with that agency, is the Deputy United States Representative North Atlantic Council. The bill requires that the Mutual Security Representative in Europe and the Deputy Representative North Atlantic Council keep each other fully informed concerning their activities. The committee is not satisfied, however, with the present duplication of staffs and uncertainty of authority that exists in Europe. The ECA has built a large regional organization in Paris with a competent staff specially skilled in economic and industrial matters. The location of NATO headquarters in London has made it difficult for the American personnel in Paris to render effective service in NATO. It is impossible for the United States by unilateral action to modify the NAT Organization, or to change the location of its headquarters. The committee believes, however, that it is desirable to have, insofar as possible, a single United States staff in Europe, operating under a single individual in a central location. The principal United States organization in Europe should be the Mutual Security Organization under the Mutual Security Representative in Europe, with its headquarters presumably in Paris. The Deputy United States Representative North Atlantic Council should draw upon this Mutual Security staff to perform the services he requires, rather than to build a parallel or duplicating organization in London.

Special Missions (sec. 507)

The bill provides that there may be established in any country receiving United States assistance a special Mutual Security mission under the direction of a chief appointed by the Administrator. The chiefs are to receive instructions from the Administrator, and European mission chiefs are to be subject to coordination by the Mutual Security

representative in Europe. The chief of each mission is to rank immediately after the chief of the United States diplomatic mission in the country.

The relation of the chief of the special mission to the chief of the United States diplomatic mission within a country is provided for in the same way as was done under the ECA Act. Each is to keep the other fully informed, and in case of disagreement, the differences of view are to be transmitted to Washington to the Administrator and the Secretary of State, respectively, where a decision is to be made.

Provision is made for the head of the United States diplomatic mission in a country or a member of his staff to take over the job of the chief of the Mutual Security mission whenever the Administrator deems it appropriate, subject to approval of the Secretary of State. Office space, facilities and administrative services in each country are to be supplied by the Secretary of State in accordance with the practices established under the ECA Act.

F. THE SHIFT TO THE MUTUAL SECURITY ADMINISTRATION

Transfer of personnel (sec. 502); effective date (sec. 512)

Creation of new organizational arrangements to handle foreign-assistance programs already in operation requires adequate provision for a gradual change-over while operations are going on. Two considerations are involved here: The shift must be accomplished as smoothly as possible if the programs are not to be seriously affected; on the other hand, the new arrangements involve more than merely a change on the surface. The shift to the Mutual Security Administration is provided in section 512. All of the provisions of the act, except section 502, take effect upon the date of enactment. This means that the organization then legally comes into being, the Mutual Security Administrator is created, and the President can appoint him. The powers of the Administrator to employ personnel and set up his operations also come into being; but the functions he is to assume, and the agencies and offices to be displaced, remain where they are. When the Administrator is appointed, he can begin to assemble personnel and plan his organization. When this is done, and he is ready to begin operations, the President fixes an effective date, the functions transfer to the Administrator, the agencies and offices he displaces cease to exist, and the Administrator begins to operate.

All this may be accomplished promptly and in less than 60 days after the Mutual Security Act is approved. It must be accomplished by that time, for then the transfer becomes automatic.

The committee gave careful consideration to the problem of personnel. Blanket transfer of personnel and functions from ECA, TCA, and any other affected agencies would completely nullify the purpose for creating a new agency, for it is intended that the new administrator shall select his own personnel. On the other hand, a new agency does not automatically require new faces throughout. Section 502 (c) is in the bill to assure that only those functions necessary to the new program, and only the personnel that is needed and thoroughly competent, will be transferred. Under the provisions of this subsection, personnel, records, and property will be transferred on certification of the Administrator and approval by the Director of the Budget. This dual provision is deliberately written. The Adminis-

trator should have the power to select the personnel he wants and needs, and not be at the complete mercy of the Bureau of the Budget. Yet, he will inevitably be under pressure from those who want to assure themselves a place. The Bureau of the Budget is the agency properly qualified to screen the requirements to assure only the necessary transfers. Under this provision the Administrator and the Bureau of the Budget each have a check on the other. By this means, it should be possible to have an efficient and economical operation, thus saving personnel and funds over that now required and thereby reducing the present estimate of \$78,000,000 for administrative expenses.

Abolition of existing offices

When the transfer of function takes place, ECA and TCA cease to exist as agencies and the principal offices created by the Economic Cooperation Act, the Act for International Development, and the Mutual Defense Assistance Act are abolished. Transfer of functions is thus complete.

XII. THE LIFE SPAN OF THE PROGRAM (SEC. 510)

In settling upon a termination date for the Mutual Security Program the committee kept in mind that the Administrator would handle programs set up under several different acts of Congress, each of them to accomplish a particular purpose over varied periods of time.

The Economic Cooperation Act of 1948 specified (sec. 122) that the Administrator's powers would end not later than June 30, 1952. ECA was a 4-year program for European recovery. The committee is not in the least disposed to extend this date; it holds the date to be both a pledge to the American taxpayers and the fulfillment of a schedule repeatedly announced to the European recipients. If economic aid is required for purposes other than those intended in the ECA Act, the burden rests with the executive branch to present a case to the Congress for such legislation.

The Act for International Development (Point 4) makes no reference to a terminal date. The character of the program is such that a fair appraisal of its accomplishments cannot be made for several years.

The Mutual Defense Assistance Act does not contain a terminal date. But it was never intended to be of indefinite duration. The course of events since the act was first passed has given a greater urgency to the rapid accomplishment of its purpose. These same events have added to the momentum of rearmament abroad.

With all these elements in mind the committee settled upon June 30, 1954, as a reasonable date. It provides a target date toward which these programs may move. It affords the Congress an opportunity to reassess the measure of accomplishment of the Mutual Security Program. It serves notice on the recipients that we are not committed to aid in perpetuity and permits them ample opportunity to adjust themselves to the full utilization of their own resources.

It will be noted that on June 30, 1954, the authority to conduct all assistance programs ceases, although the acts upon which the assistance is based do not expire. Should the authority not be renewed, 1 year is provided to "empty the pipeline" and liquidate the Administration.

XIII. CONDITIONS IMPOSED ON RECIPIENTS OF AID (SEC. 508)

The committee has made a careful study of the problem of requiring countries which receive United States assistance to undertake specific commitments as to what they will do in return. Bilateral agreements were required for all countries receiving United States aid except those receiving reimbursable aid under section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended, and continue in effect under the Economic Cooperation Act of 1948, as amended (Public Law 472, 80th Cong., sec. 115) (22 U. S. C. 1501-1521), and the Mutual Defense Assistance Act of 1949, as amended (Public Law 329, 81st Cong., sec. 405) (22 U. S. C. 1571-1604). In view of the present critical world situation, and because this present program is a security program, certain additional conditions should be imposed upon all nations to which assistance was given. At the same time it was recognized that there were certain nations which were friendly to us and which needed and valued our help but which could not be expected to enter into detailed commitments. This is particularly true of certain new governments where we desire to be helpful and where it would be contrary to our interests to have them turn against us.

The committee believes that a satisfactory solution to this problem is presented in section 508 of the bill. All countries receiving military assistance or other assistance to further the military effort have agreed to fulfill their obligations in the defense program in order to be eligible for assistance. All other countries must have agreed "to join in promoting international understanding and good will, and maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension."

XIV. TERMINATION OF ASSISTANCE BY THE PRESIDENT (SEC. 511)

The bill reported by the committee repeats two of the conditions of the Mutual Assistance Act of 1949 upon which the President may terminate assistance to a recipient nation, namely, (1) if he determines that such assistance is no longer consistent with the national interest or security of the United States or the policies and purpose of this act; or (2) if such assistance would contravene a decision of the Security Council of the United Nations. The third condition provides for terminating assistance in those cases in which either of the two major organs of the United Nations has recommended measures in case of a threat to, or breach of, the peace, or act of aggression. The inclusion of the General Assembly takes account of the larger role played by that body in handling threats to international peace.

Our worldwide interests and our obligations assumed by membership in the United Nations place upon this country a heavy responsibility. We should not authorize assistance of any type or amount to a nation that contributes, through its conduct, to offenses against peace. It is not unreasonable to expect that recipient nations will conduct themselves in accordance with the standards prescribed in the United Nations Charter.

XV. TRANSFER OF FUNDS (SECS. 101 (b), 202, 602)

The bill gives authority to transfer a designated portion of certain of the funds authorized to meet special situations.

Section 101 (b).—Section 101 (b) of title I authorizes the President to transfer not to exceed 5 percent of the total, \$6,363,000,000 authorized for Europe, between military and economic assistance, or vice versa, when he determines it “to be necessary for the purposes of this act.” In view of the changing nature of the European Defense Program, the committee believes that this discretion is justified. It is in the interest of the United States to speed up the military production of Europe as rapidly as possible. If this program goes ahead faster than anticipated, the President has the power to use less money for supplying weapons and more money for supplying machinery and materials. If, instead, it becomes necessary to rush military end items to Europe from the United States more rapidly than anticipated, authority exists to permit such action.

The President is required to notify the appropriate committees of the House and Senate when such a transfer is made.

Section 202.—Section 202 gives the President authority to transfer not to exceed 10 percent of the \$415,000,000 authorized for military assistance to Greece, Turkey, and Iran to any other country in the Near East area. Such a transfer can be made for military purposes only and three conditions are specified, namely, that—

- (1) The strategic location of the recipient country makes it of direct importance to the defense of the Near East area;
- (2) Such assistance is of critical importance to the defense of the free nations; and
- (3) The immediately increased ability of the recipient country to defend itself is important to the preservation of the peace and security of the area and to the security of the United States.

The committee believes that this freedom to act is necessary in view of the importance of defending the oil resources of this area and the tension which exists there.

Section 602.—Section 602 permits the President to transfer up to 10 percent of the funds authorized by any title of this bill to be used under any other title of the bill. Such transfers can be made only for the same purposes as the funds were originally authorized. That is, military funds could be transferred to other areas only for military use and economic funds only for economic purposes.

The committee recommends this discretion because of the need to preserve sufficient flexibility to meet possible crises in widely separated parts of the world.

The President is required to notify the appropriate committees of the House and Senate upon making such a transfer.

XVI. MISCELLANEOUS

A. RAISING THE LIMIT ON EXCESS (SEC. 614)

The Mutual Defense Assistance Act of 1949 (Public Law 329, 81st Cong.) defines “excess” as meaning the quantity of equipment or materials owned by the United States which is in excess of the mobilization reserve of such equipment and materials. Mobilization reserve means the quantity of such equipment or materials determined

by the Secretary of Defense under regulations prescribed by the President to be required to support mobilization of the Armed Forces of the United States in the event of war or national emergency until such time as adequate additional quantities of such equipment or materials can be procured.

The act limited the worth of such excess equipment and material to be transferred under this act, and under the Greek and Turkish Aid Act of 1947 (Public Law 75) to \$450 million. Public Law 621, approved on July 28, 1950, authorized an additional \$250 million worth of excess equipment, thereby increasing the ceiling to \$700 million.

As of May 31, 1951, \$635 million of existing excess material had been scheduled for delivery under this authority. Of this amount, \$423 million had been delivered.

The authority for the transfer of excess equipment has permitted disposition to friendly nations of substantial quantities of some types of material not needed for United States forces, but valuable in building up the strength of the combat forces of the free world. About 67 percent of the material planned for transfer under this authority is being furnished as grant aid, and will be without charge to the appropriation except for the cost of repair and rehabilitation. The remaining portion of the excess material will be transferred as reimbursable assistance under the provisions of section 408 (e) of the act, in which case the recipient country reimburses the United States for the cost of repair and rehabilitation plus the fair value, before rehabilitation, of the material. In no case is this fair value less than 10 percent of the original acquisition cost of the material.

In view of the fact that the authorized ceiling of \$700 million has nearly been reached, this section increases the limit by \$450 million to a grand total of \$1,150 million. Presently planned programs will substantially exhaust current excess stocks of the military departments. Generation of excess, however, is a continuing process. As new and improved weapons and other items of military equipment are developed and delivered, the military departments are able to release some of the older material as excess. It is impossible to forecast exactly the amount and nature of excesses that may be generated in the future.

The matériel deficiencies are met through a combination of indigenous effort, United States grant aid from appropriated funds and available excess stocks. Unless the present limit of \$700 million is increased as recommended in the proposed legislation, it will be impossible to fully meet the material requirements without increasing appropriated funds. Without such authority the United States cannot make effective use for MDAP of the excess material generated, and, further, the military departments would eventually have to dispose of such excesses, resulting in a net loss to the military potential of the free world.

The law very clearly and specifically defines the term "excess" for this purpose. The military departments make the determination of excess in accordance with this definition. The proposed amendment to the act will not, of itself, generate any additional excess, but will permit the Department of Defense to apply any excess that may be generated to the Mutual Defense Assistance Program. In the absence of the proposed increase in the authority to transfer excess material,

such excesses would have to be disposed of as scrap in accordance with the provisions of other laws.

The committee stresses the fact that this section in no way increases the appropriation authorizations of this bill.

TABLE 11.—*Proposed additional excess authorization*

[In thousands of dollars]

Vessels and vessel equipment.....	212, 000
Aircraft, spare parts.....	164, 000
Ordnance.....	72, 500
Tanks and combat vehicles.....	50, 500
Artillery and fire control.....	17, 800
Motor transport vehicles.....	1, 000
Other.....	3, 200
Signal.....	1, 500
Total.....	450, 000

B. REIMBURSABLE AID (SEC. 613 (B))

Section 408 (e) of the Mutual Defense Assistance Act provides authority to the President to transfer equipment, materials, and services to certain nations "without cost to the United States." Section 613 (b) provides for the amendment of that section in two particulars.

(1) The inclusion of the words "or in United Nations collective security arrangements and measures."

Certain nations were made eligible under section 408 (e) on condition that they provide the United States with assurances that the equipment, materials, or services are required for and will be used to promote their internal security, their legitimate self-defense, or to permit them to participate in the defense of the area of which they are a part. The nations from whom that assurance is required are nations eligible for assistance by virtue of the fact that their ability to defend themselves or to participate in the defense of the area of which they are a part is important to the security of the United States. The assurances required from nations which have been outlined above, are so restrictive as to prevent the use of such equipment as is transferred to them under the provisions of section 408 (e) in United Nations collective security arrangements and measures. Accordingly, this subsection of the Mutual Defense Assistance Act has been amended so as to provide that equipment, materials, or services transferred by virtue of section 408 (e) may be used by such countries in United Nations collective security arrangements and measures.

(2) An increase in outstanding procurement contracts from \$100,000,000 to \$500,000,000.

This section does not increase the authorization for appropriations.

Procurement assistance to foreign countries on a reimbursable basis is authorized by section 408 (e). Terms of sale require full payment before delivery. Prices charged are gross costs to the United States, or in the case of excess materiel not less than fair value as defined in the act plus the cost of repair and rehabilitation.

The major items and categories of items which have been or are being sold under the provisions of this section of the law include:

Vessels:

Patrol crash boats, patrol frigates, destroyer escorts, cruisers (light).

Vessel equipment of all types (including electronics): Naval guns, naval aircraft (P2V-5) and spare parts.

Aircraft: GFP for F-86 planes, F-51 Mustang fighters, T-6 trainers, T-33 trainers, B-26 Douglas bombers, B-17 Boeing bombers, aircraft spares for several types.

Road construction machinery (scrapers, air compressors, tractors).

Engineer shop equipment.

Engineer supplies and spare parts.

Radios and radar equipment.

Clothing, gas masks, field ranges, miscellaneous quartermaster supplies, subsistence.

Medical equipment and supplies.

Armored cars and medium tanks.

Motor transport vehicles.

Small arms and machine guns.

Artillery and fire-control equipment.

Small arms and machine-gun ammunition.

Artillery ammunition.

Bombs, rockets, and miscellaneous ammunition.

Miscellaneous: Sandbags, tools and tool sets, plans and specifications, publications, instruction manuals, films and film strips.

This provision makes it possible for our allies with dollar resources, notably Canada, to build up their own defensive capabilities at their own expense, without cost to the United States taxpayer. The mutual aspects of this provision are attested to in the President's Third Semiannual Report to Congress on the Mutual Defense Program.

The Canadian Government has embarked on a large-scale program of converting its military establishment from British to United States equipment, and has provided British-type equipment for two divisions to another NATO power on a grant basis. These steps would almost certainly have been impossible if the Canadians had not been able to purchase the United States-type equipment that they needed under the Mutual Defense Assistance Programs' reimbursable aid program. Among the Latin-American countries purchases of equipment of various types needed to maintain equipment of United States origin, already in the hands of these countries, have been particularly important. In addition Argentina, Brazil, and Chile have each purchased two light cruisers (pp. 37-39).

The United States makes no advance payments to contractors on behalf of the foreign purchaser. Before an item is delivered, funds from the foreign government for which the procurement is undertaken must be in hand.

Recognizing that, in the case of long-lead-time items, requirement for full payment in advance would tie up substantial dollar assets of foreign customers for a long time, Congress authorized the use of contract authority for this purpose up to a limit of \$100 million. Upon receipt of a firm order accompanied by a dependable undertaking to pay when called on, the military departments may enter into procurement contracts on behalf of foreign purchasers, provided the outstanding amount of such contracts at any one time does not exceed \$100 million. It is a revolving contractual authority fund. As prior contracts are liquidated by payment by the purchaser, additional contracts may be entered into.

Firm orders have been accepted, and payment made, or a dependable undertaking accepted under the contract authority provision for a total of \$175 million of which \$98 million is presently outstanding as contract authority.

There are only three cases in which it has so far been necessary to use the contract authority provision, and Canada, with \$81 million now outstanding represents the major part of this.

The outstanding amount is now being liquidated at the rate of about \$2 million per month, and as production and deliveries increase the rate of liquidation will increase. It is expected to reach \$4 million by September.

The Canadian Government alone has indicated that it expects to place orders within the next fiscal year for long-lead-time items, mostly aircraft, amounting to almost the entire additional amount requested. Under the present limitation it is impossible to accept these orders (unless Canada makes full payment in advance) and phase the procurement for Canada into our own production schedules. Therefore, in order to avoid delays in provision of aircraft and aeronautical matériel and tanks which it is essential that Canada procure from the United States, the ceiling on outstanding contracts under section 408 (e) (2) (b) should be raised to \$500 million. Approval of the increase is necessary in order to avoid putting Canada, which is paying for matériel obtained from the United States, at a disadvantage compared with other countries which are obtaining similar matériel as grant aid.

COUNTRIES FROM WHICH ORDERS OR INQUIRIES HAVE BEEN RECEIVED FOR
REIMBURSABLE AID

Argentina	El Salvador	Pakistan
Australia	France	Paraguay
Belgium	French Indochina	Peru
Bolivia	Haiti	Philippines
Brazil	Honduras	Portugal
Canada	Iceland	Saudi Arabia
Ceylon, withdrawn	India	Sweden, withdrawn
Chile	Italy	Thailand
Colombia	Korea	Turkey, withdrawn
Costa Rica	Malaya	Union of South Africa
Cuba	Mexico	United Kingdom
Denmark	Nationalist China	Uruguay
Dominican Republic	Netherlands	Venezuela
Ecuador	Norway	

The following additional countries are eligible for reimbursable aid, but have not submitted specific requests for such aid:

Burma	Nicaragua	Iran
Greece	Panama	New Zealand
Luxemburg	Indonesia	

C. USE OF FUNDS FOR ADMINISTRATION AND OTHER PURPOSES (SEC. 611)

This section provides for (1) the use of appropriated funds for administration; (2) the use of local currency for administrative expenses; and (3) the transfer of funds made available for Germany.

The estimates for title I include the estimates for administrative expenses for the whole act. Section 611 authorizes the use of title I funds for this purpose. This is a device of convenience; the principle has already been approved by the Congress in the Mutual Defense Assistance Act.

Section 611 includes an authorization to include in "administrative expenses" two additional categories. The first is the expenses of

United States participation in "international security organizations." At the present time, this means the expenses of participation in the North Atlantic Treaty Organization. It would include other similar "international security organizations" when and if created in other areas. This authorization does not include expenses of participation in the United Nations or any existing organization related to it. The second additional category is "expenses in the United States in connection with programs authorized under the Act for International Development." The programs are those which relate to technical assistance being furnished to foreign governments, but which are carried out in the United States in Government agencies or in institutions such as colleges and universities. These include certain special research, testing, and other services that must be done in the United States because adequate facilities are not available elsewhere. This does not establish any new principle. Funds appropriated for the Point 4 program in fiscal year 1951 were used for this purpose. This language makes the point clear.

In a variety of ways assistance programs in foreign countries make local currencies available to the United States. Section 611 merely permits the use for operating and administrative expenses without charge against the appropriation. This practice saves dollars.

The authority in section 611 to transfer funds to other Government agencies for use in Germany is included to provide for a technicality in the law. Section 114 (h) of the Economic Cooperation Act authorizes the President to transfer funds made available under section 114, fund authorizations of the Economic Cooperation Act. Technically speaking, section 114 of the Economic Cooperation Act is obsolete. The language of section 611 of the pending bill corrects this technicality. No new precedent is being created.

D. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS UNDER THE ACT FOR INTERNATIONAL DEVELOPMENT (SEC. 617)

In fiscal year 1951, the United States contributed a total of about \$13,000,000 to the United Nations and the Organization of American States for multilateral technical assistance programs. This was about a third of the total funds available for the Point 4 program. This year a ceiling of \$13,000,000 for this purpose has been fixed. Calculated roughly, the total contribution would be from 11 to 15 percent of the funds authorized for use under the Act for International Development. This is a modest amount, but substantial in terms of the amounts given by other contributors. In 1951, the United States contribution to the United Nations Technical Assistance fund was 60 percent of the total pledged by all countries. Its contribution to the Organization of American States was 75 percent of the total pledged by member countries. For 1952, the United States contribution will amount to about 48 percent of the estimated cost of the UN program.

The United States is willing to bear its full share of the multilateral programs, but other countries should not continue to assume that we will always be willing to bear half or more of the cost. Either our contribution should be lower or if the total programs increase, other nations should be willing to contribute a larger share of the total.

E. PATENTS AND TECHNICAL INFORMATION (SEC. 606)

One of the real impediments to the implementation of the Mutual Security Program is the present delays in transmitting information and know-how to foreign manufacturers and in making patentable inventions available to producers for this program. Both patentable inventions and technical information are included within the scope of this section.

There is a vast amount of technical information in Government files, including know-how, trade secrets, and engineering information. There are certain factual and legal uncertainties as to the right and authority of the Government to disclose this information, arising from the question of property rights of the originators or owners. To remove the delays occasioned by these uncertainties and to assure just compensation to the owners of inventions and information utilized in the Mutual Security Program, this section provides a forum in which title may be adjudicated and in which value may be established in the event that it cannot be set by negotiations. In effect, the section makes applicable to patents and know-how used in the Mutual Security Program long established principles applicable to privately owned patents used by the United States Government.

This section also affects the use of patents without prior authorization by the owner. At present, by the act of June 25, 1910 (28 U. S. C. 1948), a remedy is provided for a patentee against the United States in the Court of Claims when a patented invention is used for manufacture "by or for the United States." It is important to remove any question as to the availability of this remedy in cases of infringements of United States patents in production for foreign governments. Otherwise, it might be possible for essential production to be stopped by injunction by an unsatisfied inventor. This section makes it clear that this remedy would be available only so long as the activities concerned form a part of the Mutual Security Program.

There is provided a 6-year period of limitations on suits under this section. The running of this period, however, is tolled during the time a claim for unauthorized use is being considered by a Government agency.

Capt. George N. Robillard, Assistant Chief of Naval Research for Patents and patent counsel for the Navy, and Mr. Casper W. Ooms, consultant to Secretary of Defense on patent matters, both strongly emphasized the importance of these provisions in supplying our allies with the materials so vital to the effectiveness of this program. It is the desire of the committee that no technicalities be permitted to stop the flow of such materials.

F. GENERATING COUNTERPART FUNDS (SEC. 609)

Section 609 permits the use of up to \$10,000,000 of the funds authorized for economic assistance to the Near East and Africa; \$25,000,000 of the funds authorized for economic assistance to Asia and the Pacific; and a further total of \$50,000,000 of the economic assistance funds authorized for any area but to be used only for increasing the production of deficiency materials, for acquiring local currencies of countries to meet the local currency needs of aid programs in such countries.

This is an innovation in economic assistance procedure. Under the ECA Act local currency deposits of "commensurate value" have to be made by countries receiving grant aid. From such deposits it has been possible in the past to meet the local currency costs of the programs in each country.

In underdeveloped countries, however, the governments frequently are so short of ready cash that they cannot pay the costs of the preliminary work of getting an assistance program under way. This amendment makes it possible for the United States to advance dollars to a country in return for local currency rather than waiting until United States aid shipments actually arrive and the counterpart deposits are made. The use of the dollars received is to be governed by agreements made in advance to insure that the dollars will be spent for the purposes of the United States aid program.

The provision for the same sort of action to assist strategic material development in title I and title IV countries in addition to those under title II and title III is due in part to the fact that the 5 percent of the European counterpart available for United States administrative and developmental expenses in each country is being rapidly depleted in those countries which have overseas dependencies in which extensive strategic materials operations are being carried on.

The committee believes that these provisions are necessary to meet the extension of the aid program beyond the scope originally provided for in the ECA legislation.

G. EXTENDING THE SCOPE OF GUARANTIES (SEC. 610)

Section 610 extends the investment guaranty program of the ECA Act which is financed out of public debt funds and which is limited to the Marshall-plan countries, including their overseas dependencies, to any area in which assistance is authorized under the ECA Act.

These guaranties to private investment which are public-debt transactions include investments in informational media as well as in other enterprises as set forth in the ECA Act of 1948 as amended (Public Law 472, 80th Cong., sec. 111 (c) (2)).

Under these provisions, guaranties of not more than \$200,000,000 are authorized but so far only about \$30,000,000 have been arranged.

The committee believes that this limitation assures that no over-extension of this program can result and that this encouragement to private enterprise is desirable.

H. PROTECTION AGAINST ATTACHMENT OF FUNDS (SEC. 604)

Section 604 requires that countries participating in any United States aid program must take appropriate action to protect funds or property acquired by them as a result of participation in such programs against seizure to pay creditors.

A difficult problem is presented since United States dollars are not ordinarily involved. In a case which occurred in March this year, the United States made available dollar aid to a European country on condition that that country would in turn extend an equivalent credit to other Marshall-plan countries in its own currency. The country opened a credit in one of its banks for a country as provided, and this

account was attached by a creditor. The matter was ultimately taken care of, but the program was delayed as a result.

The committee believes that action should be taken to prevent the recurrence of such a situation.

I. FINANCING AND PRIVATE ENTERPRISE IN UNDERDEVELOPED AREAS (SEC. 605)

The committee recognizes the importance of stimulating the flow of private investment from the highly developed areas of the world, such as the United States and Europe, to the underdeveloped areas of Latin America, Asia, and Africa. Coupled with the channeling of the local savings of these areas into productive investment, private enterprise can be an effective means of raising the living standards of these areas and thereby bolstering the conditions essential to independence and security. In this connection, the committee took careful note of the following words of the Honorable Nelson Rockefeller, Chairman, International Development Advisory Board:

Most important is the question of the flow of private capital. Private capital has been going out at the rate of about \$700 million a year to underdeveloped areas since the war. That is a very small percentage of our national income. If private capital were flowing from this country at the rate of only 1 percent of our national income, it would amount to around \$2.5 billion. That amount intelligently invested in productive facilities could revolutionize the economic base of those countries. I have mentioned the great productivity of the American worker based on the \$12,000 worth of equipment and machinery that he has at his disposal in this country. Without machinery and equipment, mere technology alone means little to the worker in underdeveloped areas.

But the savings of the people in the underdeveloped areas average only \$5 a year. At \$5 a year per worker it would take them 2,000 years to save enough money to buy the \$10,000 to \$12,000 worth of machinery necessary to put them in the same position from the point of view of productivity as the American worker.

Thus it is clear to see that the encouragement of the flow of capital from the industrial areas to the underdeveloped areas is one of the major problems with which we are faced today, whether it is money on loan or direct investment combined with local capital. This central agency must take active leadership in solving this problem (hearings, pp. 363-4).

In a report issued by the International Development Advisory Board in March 1951, entitled "Partners in Progress," this point is elaborated upon:

To meet both these needs, that of enabling private investors to obtain supplementary capital in local currencies and that of mobilizing local capital, the Advisory Board recommends that the United States take the initiative in creating an International Finance Corporation, as an affiliate of the International Bank, with authority to make loans in local and foreign currencies to private enterprises without the requirement of Government guaranties and also to make nonvoting equity investments in local currencies in participation with private investors (p. 84).

The committee considers that this matter merits full and careful study. Section 605, therefore, requires the Mutual Security Administrator to ascertain the matter of financing all essential public works and productive enterprises in these areas and the problem of eliminating the barriers to effective participation of private enterprise. The recommendations which the Administrator is further required to make to the Congress should form an excellent basis for any future action which the Congress may wish to take.

In its search for other sources of international capital funds for the development of underdeveloped areas which would reduce the requirements for United States assistance to such areas, the committee considered the possibility of expanding the lending capability of the International Bank for Reconstruction and Development. The possibilities inherent in a merger of the Bank with the International Monetary Fund were discussed in this connection and though it was not deemed advisable to write it into the bill, the committee requests the Mutual Security Administrator to fully explore such possibilities.

J. DEFENSE PRODUCTION ACT (SEC. 607)

Section 607 provides that the Administrator is to represent before the Defense Production Administration the needs of countries receiving assistance under this act for commodities subject to United States controls. In cases where these commodities are made available in aggregate amounts rather than on a country basis, the Administrator is made responsible for apportioning these commodities among countries.

This provision gives the Administrator responsibilities comparable to that of the ECA Administrator under present executive procedures. The committee believes that legislation on this point is desirable in order to insure a prompt and effective change-over when the new Administrator takes over.

K. MOVEMENT OF SURPLUS MANPOWER (SEC. 101 (A) (2))

The committee has ascertained that to date little effective action has been taken to carry out the intent of Congress as expressed in section 115 (e) of the Economic Cooperation Act of 1948, as amended, to increase the movement of surplus manpower from Europe. This delay in taking action is particularly disturbing when it is realized that the excess of population is a heavy burden on European countries, particularly: Western Germany, Italy, Greece, and the Netherlands, which are being assisted economically at great expense to the United States taxpayer. Since the International Refugee Organization is to expire on or before December 31, 1951, and since the program envisaged by section 115 (e) would not fall within the scope of the IRO's mandate, new arrangements will need to be made promptly. The provisional organization to be set up would arrange with the International Refugee Organization (IRO) to take over and continue in operation for the movement of emigrants, a fleet of 12 ships already converted at considerable cost for this type of movement. The IRO will relinquish these ships to other purposes before its termination on December 31, 1951. These facilities, together with multi-lateral arrangements for the movement of emigrants, will be lost unless this provisional organization can be established before IRO relinquishes its ships.

It is not the intention of the committee in putting forward this provision that no funds authorized under the proviso to section 101 (a) (2) of this bill should be made available to any international organization, institute, or office which has among its membership countries who do not participate in the free international exchange of immigrants and immigrants, and funds authorized to be utilized to effectuate the

purposes of section 115 (e) of the Economic Cooperation Act of 1948, as amended, should not be utilized in conjunction with plans conceived or operated by an agency other than a specialized, temporary operational organization having as its sole purpose, the moving of surplus manpower from such countries as Western Germany, Italy, Greece, and the Netherlands.

XVII—THE MONEY AND WHAT IT MEANS

A. MILITARY

This bill requests \$6,013,000,000 for military assistance. A sum of this magnitude was given the closest scrutiny and required most thorough explanations from the witnesses, particularly since there was under the 1951 military-aid program an estimated unobligated balance of \$456,000,000 and an estimated unexpended balance of \$4,782,300,000. Treasury figures show military "expenditures" for the period ending June 30, 1951, calculated on a "check drawn" basis, as \$883,733,742.

The money in this bill is designed to fulfill a military program. Basic to this program is a war plan—an over-all plan for the use of men and equipment. Each country has its assignment in this plan. This involves a decision on how many military units a country must supply. The next determination is how rapidly these units can be made available. The answer to this depends not only upon manpower but upon available equipment. Too many men with too little equipment invites a military disaster. The problem is to synchronize trained manpower with finished military equipment. In military parlance each military unit must have its table of organization and its table of equipment.

The next consideration is the degree to which a country can fulfill its commitments. The problem of our North Atlantic Treaty partners is not one of manpower; it is the deficiency in military equipment necessary to bring them up to combat effectiveness. Hence there is a careful analysis of the amount of equipment that that country can supply to its forces and the amount that the United States should supply in order to hasten the arming of these forces.

It is this gap between "what is" and "what should be" for which this money will be used.

When Members of the House, including eight members of this committee, visited Europe recently, they were given a thorough briefing on the series of steps by which a decision is reached on the determination of supplies for each country. Starting at the country level and proceeding through the regional organization in Europe and our Military Establishment in Washington the requirements of each country are carefully processed and weighed against the over-all requirements and, most important, the capabilities of this country.

The ability of European nations to supply their own military soft goods—food, clothing, military housing, etc.—has now largely been achieved. They are rapidly approaching self-sufficiency in supplying their own spare parts and small arms. To those unable to do so we are serving notice that they must prepare themselves to purchase them or manufacture them.

There still remains their basic deficiency in heavy equipment—notably tanks, aircraft, motor vehicles, artillery, and complex electronics equipment. It may be more economical in our common defense program for us to plan to make them in this country. As General Olmsted testified:

It may be possible, and it will in some cases be possible, for us to effect the transfer as a cash sale. But from the standpoint of construction and the desirability of trying to go into the construction of heavier items, where the facility itself might not be usable until 2 or 3 years from now, while the area over there is as sensitive as it seems to us, it may make more sense to do it here (hearings, p. 1210).

It is this reliance upon the United States for heavy equipment that necessitates the present outlay. Such items are not only expensive but require a long lead time for completion, in some cases almost 2 years from the drafting board to delivery. Thus the (fiscal year) 1950 program will not be completed until September 1951. The target for the completion of the (fiscal year) 1951 program is June 1952. To hasten some important military items overseas the Mutual Defense Assistance Program has drawn from reserves stocks of our forces with the understanding that these stocks will be replenished from equipment rolling off the manufacturing line.

The military authorities have set definite goals in the production of each military item. These are, of course, closely guarded military secrets. But the achievement of these goals is still several years away.

If the money is not forthcoming, what will be the effect on the program? The answer depends upon the reorder lead time for major items. The tanks presently coming off the production lines were programmed in 1950, a few in 1951. General Olmsted pointed up this problem by reference to the production of tanks at the Cadillac plant in Cleveland.

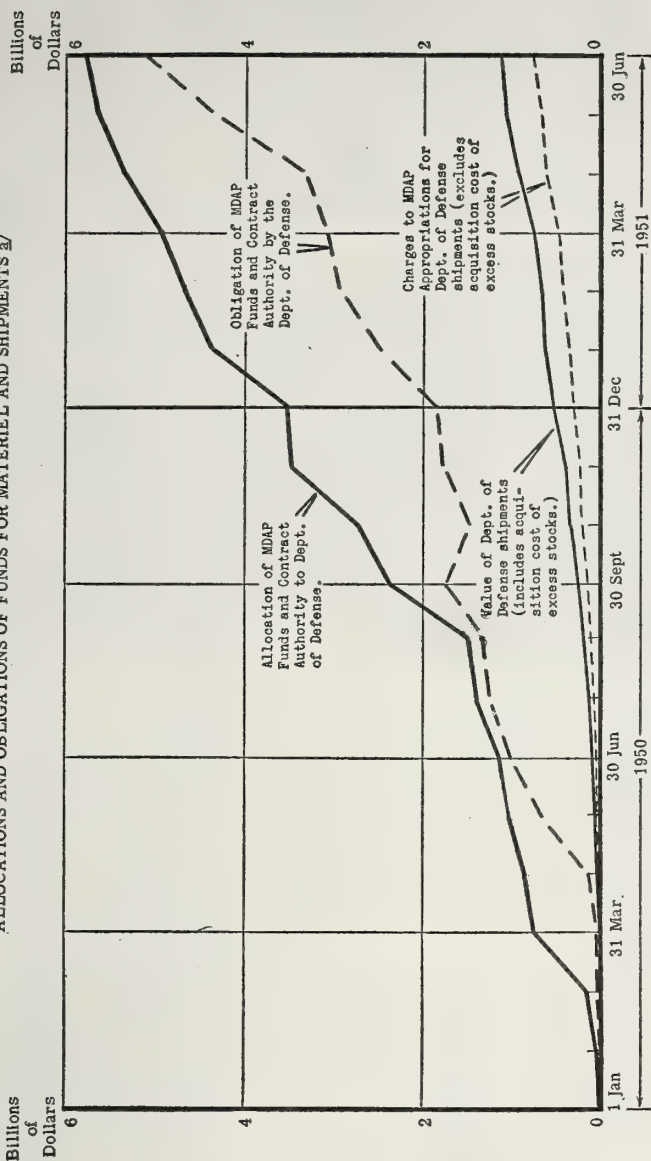
We have to tell them 10 months ahead of time that we want an added tank in order to get it, because their steel reorder lead time is that difficult, and their subcontracting problems are that difficult. Those are their principal bottlenecks (hearings, p. 1294).

The role of the lead-time element in the sums requested is highlighted by the fact that almost two-thirds of the appropriations requested are for the longer lead-time items.

Our partners need an uninterrupted supply of equipment to convert their manpower into effective military units. Once these units are created, the drain upon our resources should diminish. A target date has been set to achieve this purpose. The weight of evidence of responsible and respected military authorities at home and abroad strengthens the committee's conviction that this is not an impossible goal.

CHART II

Department of Defense
MUTUAL DEFENSE ASSISTANCE PROGRAM - FISCAL YEARS 1950-1951
ALLOCATIONS AND OBLIGATIONS OF FUNDS FOR MATERIEL AND SHIPMENTS ^{a/}



^{a/} Excludes Allocations & Obligations for non-material i.e. transportation, packing, administration, repair of excess, training, additional military production, ECA procurement programs etc. Shipping data is materiel value only exclusive of packing, transportation and cost of repair of excess stocks.

B. ECONOMIC

The authorizations in the bill for economic assistance under the Economic Cooperation Act and the Act for International Development do not specify the amounts that will be spent under each of those acts. Under the executive branch proposal, which assumed that the Mutual Security Program would be carried on under the existing organizational structure, the funds could not be divided by function but only by the agency that would operate the programs. For the convenience of the House, a breakdown made on these assumptions would show the funds as follows:

Economic and technical assistance under Economic Cooperation Act-----	\$1, 639, 244, 000
Technical assistance under act for International Development--	85, 256, 000
Other economic assistance-----	111, 250, 000
Total economic assistance-----	1, 835, 750, 000

(Table 12 shows the breakdown of all the authorizations in the bill, with economic assistance broken down according to these assumptions.)

These figures can only be illustrative since they are based on the theory of divided administration. Under the single agency provided in this bill the division of funds for assistance in underdeveloped areas under the Economic Cooperation Act and the Act for International Development and the Institute of Inter-American Affairs Act might shift considerably. If the Mutual Security Administrator created within his Administration an integrated program for underdeveloped areas and estimated the funds for all programs on a basis of defining the functions under each act, the amounts attributable to the Act for International Development and the Institute of Inter-American Affairs Act, and those attributable for this purpose to the Economic Cooperation Act would change.

TABLE 12.—*Illustrative breakdown of 1952 Mutual Security Program, by type of program and title*

	Title I	Title II	Title III	Title IV	Title VI	Total
1. Military assistance:						
(a) End items, material and training programs; packing, handling, and crating charges.....	\$4,975,000,000	\$415,000,000	\$530,000,000	\$40,000,000		\$5,960,000,000
(b) Administrative expenses.....	53,000,000					53,000,000
Subtotal, military assistance.....	5,028,000,000	415,000,000	530,000,000	40,000,000		6,013,000,000
2. Economic assistance under ECA Act: ¹						
(a) ERP and "economic support for defense".....	1,287,000,000					1,287,000,000
(b) Technical assistance in Europe.....	20,000,000					20,000,000
(c) Technical assistance and development in underdeveloped areas.....		23,450,000	232,036,000			255,486,000
(d) Strategic materials development, all areas.....					\$55,000,000	55,000,000
(e) Ocean freight voluntary relief programs.....	2,658,000		100,000			2,758,000
(f) Administrative expenses.....	19,000,000					19,000,000
Subtotal, economic assistance under ECA Act.....	1,328,658,000	23,450,000	232,136,000		55,000,000	1,639,244,000
3. Economic assistance under Act for International Development and the Institute of Inter-American Affairs Act (Point 4 program):						
(a) Bilateral country programs.....		47,806,000	450,000	16,320,000		64,576,000
(b) Regional type programs under United States control.....				1,680,000		1,680,000
(c) Contributions to multilateral organizations.....	342,000	3,744,000	4,914,000	24,000,000		13,000,000
(d) Administrative expenses.....	6,000,000					6,000,000
Subtotal, economic assistance under Point 4 program.....	6,342,000	51,550,000	5,364,000	22,000,000		85,256,000
4. Other assistance:						
(a) Palestine refugee program.....		50,000,000				50,000,000
(b) Israel refugee program.....		50,000,000				50,000,000
(c) Contribution to UN for Korean rehabilitation.....			11,250,000			11,250,000
Subtotal, other assistance.....		100,000,000	11,250,000			111,250,000
Totals:						
Military assistance.....	5,028,000,000	415,000,000	530,000,000	40,000,000		6,013,000,000
Economic assistance.....	1,335,000,000	175,000,000	248,750,000	22,000,000	55,000,000	1,835,750,000
Grand total, all assistance.....	6,363,000,000	590,000,000	778,750,000	62,000,000	55,000,000	7,848,750,000

¹ 20 percent of funds appropriated for use under Economic Cooperation Act must be furnished on credit.² Consists of \$3,000,000 for contribution to UN programs and \$1,000,000 for contribution to Organization of American States.

C. LOANS (SEC. 612)

Section 612 of the bill provides that not less than 20 percent of the funds provided throughout the bill for economic assistance under the Economic Cooperation Act shall be on credit terms as specified in that act. This will require that the terms of such loans must be passed on by the National Advisory Council on International Monetary and Financial Problems. The Council consists of Hon. John W. Snyder, Secretary of the Treasury (Chairman); Hon. Dean G. Acheson, Secretary of State; Hon. Charles Sawyer, Secretary of Commerce; Hon. William M. Martin, Chairman, Board of Governors, Federal Reserve System; Hon. Herbert Gaston, Chairman, Board of Directors, Export-Import Bank; and under this act, the new Administrator.

The Mutual Security Program was not presented to the committee on a loan basis. Executive branch witnesses discussed nothing but grants. The committee, however, was told of important capital improvements to be financed by the proposed economic aid program. In the original Economic Cooperation Act presentation in 1948, no loans were proposed, but this committee wrote into the bill a limitation that \$1,000,000,000 of the amount authorized, roughly 20 percent, should be in loans or guaranties. Loans amounting to about \$1,000,000,000 were made under this provision. The Economic Cooperation Administration has always resisted any requirement that aid should be on credit terms, arguing that these countries are either "loaned up" or that they needed to preserve their credit for future loans when the European recovery program ended.

In the hearings this year the committee has been told that, for the most part, Marshall plan countries have about reached economic stability and would soon be able to go on their own, were it not for the rearmament effort. The committee is aware that the economy of our own country also is adversely affected by the present threat.

Debt is an essentially capitalistic mechanism, dependent on promises. In consideration of present help, the borrower promises to help the lender later; on the other hand, the lender, in consideration of the borrower's promises for the future, renders present help.

We believe that our country, in this time of crisis, should increasingly become a creditor, rather than relying so much on governmental gratitude and power politics for the future.

The debt of a country, a corporation, or an individual, is only significant when measured in terms of ability to pay—earning power. Here is the present debt status of the NATO countries:

TABLE 13.—*Gross debt outstanding and gross national product (GNP) of NATO countries (in millions of United States dollar equivalents) (latest comparable figures available)*

Country	Internal debt	External debt	Total debt	Gross national product
Belgium-Luxemburg.....	4,535	328	4,863	6,595
Denmark.....	1,157	256	1,413	3,151
France.....	9,455	2,830	12,285	25,954
Italy.....	4,218	274	4,492	15,200
Netherlands.....	6,333	897	7,230	5,125
Norway.....	1,429	197	1,626	1,994
Portugal.....	338	22	360	2,003
United Kingdom.....	64,510	6,129	70,639	37,985
Total.....	91,975	10,933	102,908	98,007
United States.....			257,000	303,500

The United Kingdom, which has the largest debt, as shown above, is not now scheduled to receive any economic aid this year and therefore would not be affected by the 20-percent loan provision. Omitting the United Kingdom the other NATO countries shown in the table above have a total debt of \$32.269 billion and gross national product of \$60.022 billion. On any such basis their ability to repay would compare favorably with that of our own government to pay its national debt.

Neither the 20-percent loan requirement nor the authorizations for assistance under the Economic Cooperation Act are confined to the Marshall plan countries. They are discussed here for illustrative purposes. This provision applies to all countries receiving assistance in the Mutual Security Program under authority of the Economic Cooperation Act. None are specified. The Mutual Security Administrator must have flexibility to apply this provision; he can use his discretion.

The loan requirement does not increase the authorizations in this bill. The funds used for assistance on credit must come from that portion of the new appropriated funds assigned for assistance under the Economic Cooperation Act.

If the appropriations are up to the limit of the authorizations in this bill, the funds available for assistance under the Economic Cooperation Act to which the loan provision applies would be about \$1,600,000,000. Applying the 20 percent formula would mean that about \$320,000,000, of assistance would be repayable to the United States.

In the past decade we have poured overseas not only our men and money, but our irreplaceable national resources. In iron ore, copper, and many strategic materials, we are becoming a "have not" nation. We should be making arrangements to provide for our needs, not next year, but years from now, through long-term loans. Our Indian relief loan this year was in accord with this policy. The token 20-percent loan requirement in this section further implements the policy.

D. STRATEGIC MATERIALS DEVELOPMENT (SEC. 603)

The development of sources of strategic materials has always been an important aspect of the United States' foreign aid programs. Specific provision was, in the Economic Cooperation Act of 1948, made for obtaining materials in which the United States is deficient, and the significance of expanding the production of these materials was recognized when the Act for International Development was enacted.

Section 603 of this bill authorizes an appropriation of \$55,000,000 for this purpose. This authorization is separated from the other titles of the bill, which authorize appropriations, because this amount is to be available not on an area basis but for the entire world.

It should be emphasized that expenditures have been made from previous ECA and point 4 appropriations for this purpose but this is the first time that a specific sum to be expended on the development of deficiency materials on a world-wide basis has been authorized.

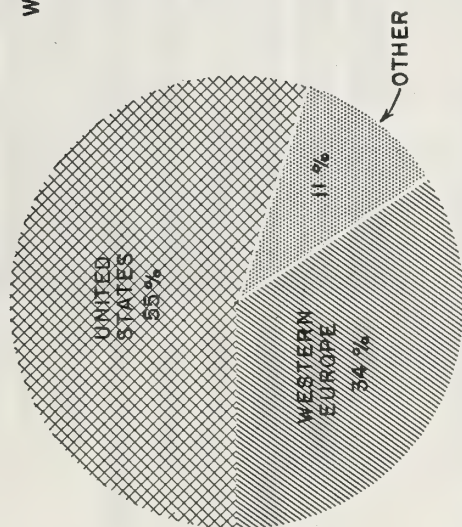
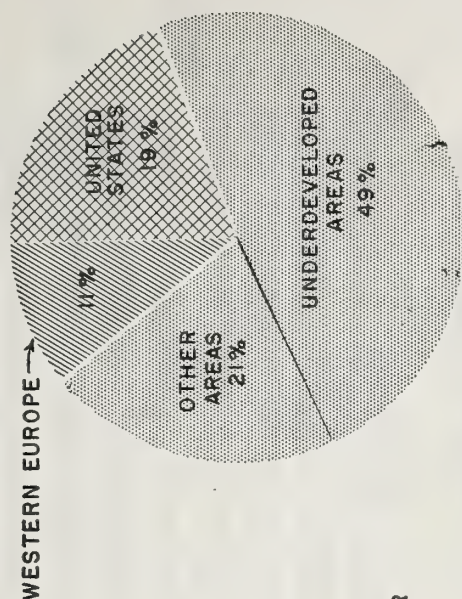
The accompanying charts indicate the importance of overseas supplies of strategic materials to the United States:

Section 609 (b) makes an additional provision for the development of the production of deficiency materials by permitting funds authorized for economic assistance by any provision of the bill to be used to obtain local currency for this purpose. This would include the authority to use the dollar funds made available under section 603. Since many of the countries where strategic materials are located have limited currency balances, and since much of this development work involves local currency rather than dollars, the committee believes that this provision will facilitate the program.

A detailed explanation of this counterpart procedure appears on pages 57-58.

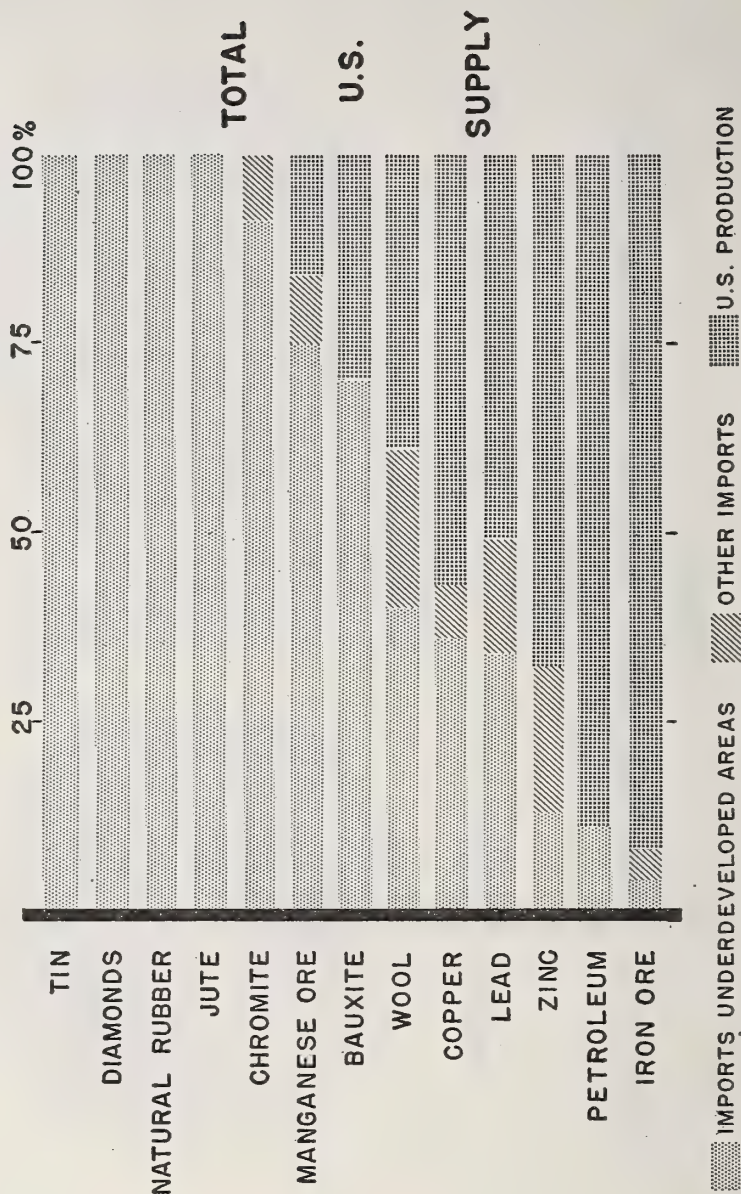
CHART III

NATIONS OF THE FREE WORLD ARE MUTUALLY DEPENDENT

FREE WORLD
INDUSTRIAL OUTPUTFREE WORLD PRODUCTION OF
CERTAIN STRATEGIC MATERIALS*

materials see Chart IV; petroleum excluded.

CHART IV
UNITED STATES SOURCE OF STRATEGIC MATERIALS



E. REDUCTION IN EXECUTIVE BRANCH REQUEST

The fund authorizations in this bill are \$7,848,750,000 or about 8 percent less than those proposed by the executive branch, a reduction of \$651,250,000 below the \$8,500,000,000 requested. Reductions were made in title I—Europe, and title III—Asia and the Pacific. An increase was made in title II—Near East and Africa. Title IV—Latin America was unchanged.

The funds for Europe are reduced by \$550,000,000—\$265,000,000 in military funds, and \$285,000,000 in economic aid funds—or a cut of about 8 percent of the total request for this title.

The Committee believes that this action is justified. The European military program is beginning to move and should move with all possible speed. However, there are a number of problems yet to be solved which require time. Some reduction of military funds will not hamper the program. On the economic side, European defense production is starting slowly, and conversion to defense production still has a long way to go. European industry is now in a boom, resulting from world-wide shortages following the outbreak of hostilities in Korea. European steel makers and others, for example, are still exporting to the United States to customers who would normally buy at home if our own industries were not producing for defense.

Because of the inevitable delay in getting European industry on a war basis, and because the remaining Marshall plan aid should be tightened up in recognition of the emergency, the reduction in economic assistance funds is justified.

Funds for title II—the Near East and Africa—have been increased \$50,000,000 by the committee in order to make a specific provision of that amount for the relief of refugees coming into Israel. A similar amount is included, as was requested, for the relief of the Arab refugees from Palestine.

Military assistance in the Pacific area has been cut by \$25,000,000 and economic aid by a similar amount.

Certain of the economic programs in the Far East are long range in character and, while important, are not directly connected with defense. In view of the magnitude of the demands on the United States this year, a cut of \$25,000,000 can be justified.

The request for Korean rehabilitation has been cut by \$101,250,000. The committee has not underestimated the importance or the magnitude of the Korean rehabilitation problem. It has already sponsored the work of private relief agencies operating in Korea. In House Joint Resolution 281 it called for public support of American Relief for Korea, Inc., a corporation of 10 private agencies devoted to providing essential supplies to the needy victims of the Korean conflict. However, the war is not yet over; rehabilitation cannot begin. When rehabilitation can begin, the United States Government can and should do its part. The authorization in the bill is for a contribution to a United Nations agency which is still essentially on a stand-by basis. Other nations should be encouraged to undertake a suitable share of this burden. The committee believed that under the circumstances a "down payment" of 10 percent of the amount requested has been authorized and the entire matter will receive further consideration when the requirements are somewhat clearer. In any event, there is now a balance of about \$50,000,000 left over from fiscal year 1951 that could be made available for Korea. Even with the proposed cut, a

total of \$61,250,000 could be available for Korea—about \$50,000,000 unobligated from fiscal year 1951, and \$11,250,000 additional of new funds.

The following table shows the authorizations provided in the bill:

TABLE 14.—*Authorizations in H. R. 5113*

Area	Military	Economic	Total
Title I (Europe).....	\$5,028,000,000	\$1,335,000,000	\$6,363,000,000
Title II (Asia and Africa).....	415,000,000	175,000,000	590,000,000
Title III (Asia and Pacific).....	530,000,000	¹ 248,750,000	778,750,000
Title IV (American Republics).....	40,000,000	22,000,000	62,000,000
Title VI (general).....		² 55,000,000	55,000,000
Total.....	6,013,000,000	³ 1,835,750,000	7,848,750,000

¹ Includes \$237,500,000 for assistance under the Economic Cooperation Act and the Act for International Development, and \$11,250,000 for contribution to UNKRA for Korean rehabilitation.

² For strategic materials development in all areas.

³ 20 percent of economic assistance from funds made available for use under Economic Cooperation Act must be furnished on credit terms.

XVIII. THE COST OF SECURITY

In reporting the extension of the Mutual Defense Assistance Program in 1950, this committee stated:

Teamwork with the friendly is costly, and risky, and sometimes exasperating. Fighting it out ourselves is costlier still.

Up to now our part in providing mutual security has been heavy. The immediate prospects for lightening the burden are not good. Soviet imperialistic communism does not stand still. Neither can we. Because of the position of leadership in which the United States finds itself, our responsibilities are necessarily heavy. While the immediate prospects do not promise a diminution of our burdens during the next few years, if we go through with the program and our partners do their share, our load by June 30, 1954, may not be so heavy.

To reject this program would not save the American taxpayer any money. It would cost him more for the increased burden that would inevitably fall upon his shoulders. Without friends, the United States could arm to the teeth here in the United States and for a time live an isolated existence in the world, militarily, economically, and politically. But this would mean the inevitable fall of Western Europe, which would place in the hands of the Soviets the greatest industrial potential next to our own. The cost of meeting the combined potential of the U. S. S. R. and a subjugated Europe would be staggering. Then it would be not a case of carrying a heavy burden, but of being overwhelmed by a heavier one. The world situation is such that, unfortunately, our choices are not between desirables and undesirables, but between lesser undesirables and greater undesirables. It is not a pleasant situation, but it is a fact of global life which those in position of leadership must face up to.

The issue of the costs of security is clear. If we do not go ahead with the program, we face two alternatives, either (1) we abandon the rest of the world to communism, or (2) we will be compelled to defend it by our own efforts, alone.

That is the challenge which the Mutual Security Program presents to this House. In the words of General Eisenhower to members of our committee in Paris in June: "Gentlemen, it is this or else."

XIX. CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ECONOMIC COOPERATION ACT OF 1948, AS AMENDED (PUBLIC LAW 472, 80TH CONG.)

[ESTABLISHMENT OF ECONOMIC COOPERATION ADMINISTRATION]

[SEC. 104. (a) There is hereby established, with its principal office in the District of Columbia, an agency of the Government which shall be known as the Economic Cooperation Administration, hereinafter referred to as the Administration. The Administration shall be headed by an Administrator for Economic Cooperation, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$20,000 per annum. The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department. Except as otherwise provided in this title, the administration of the provisions of this title is hereby vested in the Administrator and his functions shall be performed under the control of the President.

[(b) There shall be in the Administration a Deputy Administrator for Economic Cooperation who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$17,500 per annum. The Deputy Administrator for Economic Cooperation shall perform such functions as the Administrator shall designate, and shall be Acting Administrator for Economic Cooperation during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

[(c) The President is authorized, pending the appointment and qualification of the first Administrator or Deputy Administrator for Economic Cooperation appointed hereunder, to provide, for a period of not to exceed thirty days after the date of enactment of this Act, for the performance of the functions of the Administrator under this title through such departments, agencies, or establishments of the United States Government as he may direct. In the event the President nominates an Administrator or Deputy Administrator prior to the expiration of such thirty-day period, the authority conferred upon the President by this subsection shall be extended beyond such thirty-day period but only until an Administrator or Deputy Administrator qualifies and takes office.

[(d) (1) The Administrator, with the approval of the President, is hereby authorized and empowered to create a corporation with such powers as the Administrator may deem necessary or appropriate for the accomplishment of the purposes of this title.

[(2) If a corporation is created under this section—

[(i) it shall have the power to sue and be sued, to acquire, hold, and dispose of property, to use its revenues, to determine the character of any necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid, and to exercise such other powers as may be necessary or appropriate to carry out the purposes of the corporation;

[(ii) its powers shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charter shall be valid only when similarly filed and published;

[(iii) it shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to Act of Congress; and

[(iv) it shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of such Act.

[(3) All capital stock of the corporation shall be of one class, be issued for cash only, and be subscribed for by the Administrator. Payment for such capital stock shall be made from funds available for the purposes of this title.

[(e) Any department, agency, or establishment of the Government (including, whenever used in this title, any corporation which is an instrumentality of the United States) performing functions under this title is authorized to employ, for duty within the continental limits of the United States, such personnel as may be necessary to carry out the provisions and purposes of this title, and funds available pursuant to section 114 of this title shall be available for personal services in the District of Columbia and elsewhere without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219). Of such personnel employed by the Administration, not to exceed one hundred may be compensated without regard to the provisions of the Classification Act of 1923, as amended, of whom not more than twenty-five may be compensated at a rate in excess of the highest rate authorized by such Act, but not in excess of \$15,000 per annum. Experts and consultants or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (U. S. C., title 5, sec. 55a), may be employed by the Administration, and individuals so employed may be compensated at rates not in excess of \$50 per diem and while away from their homes or regular places of business, they may be paid actual travel expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses while so employed.]

[(f) The Administrator may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out his functions under this title, and he may delegate authority to perform any of such functions to his subordinates, acting under his direction and under rules and regulations promulgated by him.]

GENERAL FUNCTIONS OF ADMINISTRATOR

SEC. 105. (a) * * *

[(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

[(1) the Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

[(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision;

[(3) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with the Secretary of State and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

[(c) The Administrator and the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by the Export Control Act of 1949 shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other. Whenever the Administrator believes that any action, proposed action, or failure to act on the part of such department, agency, or officer in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with such department, agency, or officer and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.]

* * * * *

[UNITED STATES SPECIAL REPRESENTATIVE ABROAD

[SEC. 108. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 1, within the meaning of the Act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator, and shall also be the chief representative of the United States Government to any organization of participating countries which may be established by such countries to further a joint program for European recovery, and shall discharge in Europe such additional responsibilities as may be assigned to him with the approval of the President in furtherance of the purposes of this title. He may also be designated

as the United States representative on the Economic Commission for Europe. He shall receive his instructions from the Administrator and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 105 of this title. He shall coordinate the activities of the chiefs of special missions provided for in section 109 of this title. He shall keep the Administrator, the Secretary of State, the chiefs of the United States diplomatic missions, and the chiefs of the special missions provided for in section 109 of this title currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this title. There shall be a Deputy United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 3, within the meaning of the Act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. The Deputy United States Special Representative shall perform such functions as the United States Special Representative shall designate, and shall be Acting United States Special Representative during the absence or disability of the United States Special Representative or in the event of a vacancy in the office of United States Special Representative.

[SPECIAL ECA MISSIONS ABROAD

[Sec. 109. (a) There shall be established for each participating country, except as provided in subsection (d) of this section, a special mission for economic cooperation under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this title. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country; and the chief of the special mission shall be entitled to receive the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Act of August 13, 1946 (60 Stat. 999), or compensation and allowances in accordance with section 110 (a) of this title, as the Administrator shall determine to be necessary or appropriate.

[(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission and the United States Special Representative in Europe. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision.

[(c) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Special Representative in Europe and his staff, and for the special mission in each participating country, as may be agreed between the Secretary of State and the Administrator.

[(d) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purposes of this title.

[PERSONNEL OUTSIDE UNITED STATES

[Sec. 110. (a) For the purpose of performing functions under this title outside the continental limits of the United States the Administrator may—

[(1) employ persons who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service

Act of 1946 (60 Stat. 999), together with allowances and benefits established thereunder; and

[(2) recommend the appointment or assignment of persons, and the Secretary of State may appoint or assign such persons, to any class in the Foreign Service Reserve or Staff for the duration of operations under this title, and the Secretary of State may assign, transfer, or promote such persons upon the recommendation of the Administrator. Persons so appointed to the Foreign Service Staff shall be entitled to the benefits of section 528 of the Foreign Service Act of 1946.

[(b) For the purpose of performing functions under this title outside the continental limits of the United States, the Secretary of State may, at the request of the Administrator, appoint, for the duration of operations under this title, alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946 (60 Stat. 999).

[(c) No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State or the Administrator under this title for a period to exceed three months unless such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State and the Administrator, and until the Secretary of State or the Administrator has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.]

METHOD AND NATURE OF ASSISTANCE

SEC. 111. (a) * * *

* * * * *

(c) (1) * * *

* * * * *

(3) *From the funds made available under authority of the Mutual Security Act of 1951 for assistance to be provided under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), not less than 20 per centum shall be provided on credit terms as specified in that Act.*

BILATERAL AND MULTILATERAL UNDERTAKINGS

SEC. 115. (a) * * *

(b) * * *

(1) * * *

* * * * *

(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis: *Provided*, That the obligation to make such deposits may be waived, in the discretion of the Administrator, with respect to technical information or assistance furnished under section 111 (a) (3) of this title and with respect to ocean transportation furnished on United States flag vessels under section 111 of this title in an amount not exceeding the amount, as determined by the Administrator, by which the charges for such transportation exceed the cost of such transportation at world market rates: *Provided further*, That such special account, together with the unencumbered portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress), shall be used in furtherance of any central institution or other organization formed by two or more participating countries to further the purposes set forth in subsection (d) of section 111 or otherwise shall be held or used for purposes of internal monetary and financial stabilization, for the stimulation of productive activity and the exploration for

and development of new sources of wealth for the encouragement of emigration pursuant to subsection (e) of this section, or for such other expenditures as may be consistent with the declaration of policy contained in section 102 and the purposes of this title, including local currency administrative and operating expenditures of the United States [within such country] incident to operations under this title: *Provided further*, That the use of such special account shall be subject to agreement between such country and the Administrator, who shall act in this connection after consultation with the National Advisory Council on International Monetary and Financial Problems and the Public Advisory Board provided for in section 107 (a): *And provided further*, That any unencumbered balance remaining in such account on June 30, 1952, shall be disposed of within such country for such purposes as may, subject to approval by Act or joint resolution by the Congress, be agreed to between such country and the Government of the United States. *The Administrator shall exercise the power granted to him by this paragraph to make agreements with respect to the use of the funds deposited in the special accounts of the "participating countries" (as defined in section 103 (a) hereof) in such a manner that the equivalent of not less than \$500,000,000 of such funds shall be used exclusively for military production in such "participating countries". The amount to be devoted from each such special account for such use shall be agreed upon by the Administrator and the country or countries concerned*

* * * * *

MUTUAL DEFENSE ASSISTANCE ACT OF 1949, AS AMENDED (PUBLIC LAW 329,
81ST CONG.)

SEC. 402. The President shall, prior to the furnishing of assistance to any eligible nation, conclude agreements with such nation, or group of such nations, which agreements, in addition to such other provisions as the President deems necessary to effectuate the policies and purposes of this Act and to safeguard the interests of the United States, shall make appropriate provision for—

(a) the use of any assistance furnished under this Act in furtherance of the policies and purposes of this Act;

(b) restriction against transfer of title to or possession of any equipment and materials, information or services furnished under this Act without the consent of the President;

(c) the security of any article, service, or information furnished under this Act;

(d) furnishing equipment and materials, services, or other assistance, consistent with the Charter of the United Nations, to the United States or to and among other eligible nations to further the policies and purposes of this [Act.] Act;

(e) *Guarantees by such eligible nation that it will not undertake any act of aggression against any other state.*

SEC. 403. (a) * * *

* * * * *

(d) Not to exceed \$450,000,000 worth of excess equipment and materials may be furnished under this Act or may hereafter be furnished under the Act of May 22, 1947, as amended: [Provided, That during the fiscal year ending June 30, 1951, an additional \$250,000,000 worth of excess equipment and materials may be so furnished] *Provided, That after June 30, 1950, such limitation shall be increased by \$250,000,000 and after June 30, 1951, by an additional \$450,000,000.* For the purposes of this subsection, the worth of any excess equipment or materials means either the actual gross cost to the United States of that particular equipment or materials or the estimated gross cost to the United States of that particular equipment or materials obtained by multiplying the number of units of such particular equipment or materials by the average gross cost of each unit of that equipment or materials owned by the furnishing agency.

* * * * *

SEC. 408. (a) * * *

* * * * *

(e) (1) The President may, from time to time, in the interest of achieving standardization of military equipment and in order to provide procurement assistance without cost to the United States, transfer, or enter into contracts for the procurement for transfer of, equipment, materials or services to: (A) nations

eligible for assistance under title I, II, or III of this Act, (B) a nation which has joined with the United States in a collective defense and regional arrangement, or (C) any other nation not eligible to join a collective defense and regional arrangement referred to in clause (B) above, but whose ability to defend itself or to participate in the defense of the area of which it is a part, is important to the security of the United States: *Provided*, That, prior to the transfer of any equipment, materials, or services to a nation under this clause (C), it shall provide the United States with assurance that such equipment, materials, or services are required for and will be used solely to maintain its internal security, its legitimate self-defense, or to permit it to participate in the defense of the area of which it is a part or in *United Nations collective security arrangements and measures*, and that it will not undertake any act of aggression against any other state: *Provided further*, That, in the case of any such transfer, the President shall forthwith notify the Committee on Foreign Relations of the Senate, the Committees on Armed Services of the Senate and of the House of Representatives, and the Committee on Foreign Affairs of the House of Representatives.

(2) Whenever equipment or material is transferred from the stocks of, or services are rendered by, any agency, to any nation as provided in paragraph (1) above, such nation shall first make available the fair value, as determined by the President, of such equipment, materials, or services. The fair value shall not be less for the various categories of equipment or materials than the "value" as defined in subsection (c) of section 403: *Provided*, That with respect to excess equipment or materials the fair value may not be determined to be less than the value specified in paragraph 1 of that subsection plus (a) 10 per centum of the original gross cost of such equipment or materials; (b) the scrap value; or (c) the market value, if ascertainable, whichever is the greater. Before a contract is entered into, such nation shall (A) provide the United States with a dependable undertaking to pay the full amount of such contract which will assure the United States against any loss on the contract, and (B) shall make funds available in such amounts and at such times as may be necessary to meet the payments required by the contract in advance of the time such payments are due, in addition to the estimated amount of any damages and costs that may accrue from the cancellation of such contract: *Provided*, That the total amount of outstanding contracts under this subsection, less the amounts which have been paid the United States by such nations, shall at no time exceed **[\$100,000,000] \$500,000,000.**

* * * * *

CHINA AREA AID ACT OF 1950 (PUBLIC LAW 535, 81ST CONG.)

NATURE OF ASSISTANCE

SEC. 202. Funds, now unobligated or hereafter released from obligation, appropriated by section 12 of the Act entitled "An Act to amend the Economic Cooperation Act of 1948", approved April 19, 1949 (Public Law 47, Eighty-first Congress), are hereby made available for furtherance of the general objectives of the China Aid Act of 1948 through June 30, 1951, and for carrying out the purposes of that Act through economic assistance in any place in China and in the general area of China which the President deems to be not under Communist control, in such manner and on such terms and conditions as the President may determine, and references in the said Act to China shall, insofar as applicable, apply also to any other such place: *Provided*, That, so long as the President deems it practicable, not less than \$40,000,000 of such funds shall be available only for such assistance in areas in China (including Formosa): *Provided further*, That not more than \$8,000,000 of such funds (excluding the \$40,000,000 mentioned in the foregoing proviso) shall be available for relief on humanitarian grounds through the American Red Cross, or other voluntary relief agencies in any place in China suffering from the effects of natural calamity, under such safeguards as the President shall direct to assure nondiscriminatory distribution according to need and appropriate publicity as to source and scope of the assistance being furnished by the United States: *Provided further*, That not more than \$6,000,000 of such funds (excluding the amounts mentioned in the foregoing provisos), shall be available for allocation to the Secretary of State, to remain available until expended, under such regulations as the Secretary of State may prescribe, using private agencies to the maximum extent practicable, for necessary expenses of tuition, subsistence, transportation, and emergency medical care for selected citizens of China

and of Korea for study or teaching in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purposes, or for research and related academic and technical activities in the United States, and the Attorney General is hereby authorized and directed to promulgate regulations providing that such selected citizens of China and of Korea who have been admitted for the purpose of study in the United States, shall be granted permission to accept employment upon application filed with the Commissioner of Immigration and Naturalization.

* * * * *

ACT FOR INTERNATIONAL DEVELOPMENT (TITLE IV OF PUBLIC LAW 535, 81ST CONG.)

SEC. 404. (a) * * *

* * * * *

(b) Within the limits of appropriations made available to carry out the purposes of this title, the President is authorized to make contributions to the United Nations for technical cooperation programs carried on by it and its related organizations which will contribute to accomplishing the purposes of this title as effectively as would participation in comparable programs on a bilateral basis. The President is further authorized to make contributions for technical cooperation programs carried on by the Organization of American States, its related organizations, and by other international organizations: *Provided, That for the fiscal year ending June 30, 1952, such contributions from funds made available under authority of sections 101 (a) (2), 203, 302, and 402 of the Mutual Security Act of 1951 shall not exceed in the aggregate \$13,000,000, and the use of such contributions shall not be limited to the area covered by the section of the Act from which the funds are drawn.*

* * * * *

SEC. 407. In carrying out the programs authorized in section 405 of this title—

(a) The participation of private agencies and persons shall be sought to the greatest extent practicable.

(b) Due regard shall be given, in reviewing requests for assistance, to the possibilities of achieving satisfactory results from such assistance as evidenced by the desire of the country requesting it (1) to take steps necessary to make effective use of the assistance made available, including the encouragement of the flow of productive local and foreign investment capital where needed for development; and (2) to endeavor to facilitate the development of the colonies, possessions, dependencies, and non-self-governing territories administered by such requesting country so that such areas may make adequate contribution to the effectiveness of the assistance requested.

(c) Assistance shall be made available only where the President determines that the country being assisted—

(1) Pays a fair share of the cost of the program.

(2) Provides all necessary information concerning such program and gives the program full publicity.

(3) Seeks to the maximum extent possible full coordination and integration of technical cooperation programs being carried on in that country.

(4) Endeavors to make effective use of the results of the program.

(5) Cooperates with other countries participating in the program in the mutual exchange of technical knowledge and skills.

(d) *Participating countries shall be encouraged to negotiate agreements with the United Nations and its specialized agencies, or otherwise, to establish fair labor standards of wages and working conditions and management-labor relations.*

* * * * *

SEC. 413. In order to carry out the purposes of this title—

(a) The President shall appoint, by and with the advice and consent of the Senate, a person who, under the direction of the President or such other officer as he may designate pursuant to section 412 hereof to exercise the powers conferred upon him by this title, shall be responsible for planning, implementing, and managing the programs authorized in this title. He shall be compensated at a rate fixed by the President without regard to the Classification Act of 1949 but not in excess of \$15,000 per annum.

[(b) Officers, employees, agents, and attorneys may be employed for duty within the continental limits of the United States in accordance with the provisions of the civil-service laws and the Classification Act of 1949.

[(c) Persons employed for duty outside the continental limits of the United States and officers and employees of the United States Government assigned for such duty, may receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (60 Stat. 999), as amended, may receive allowances and benefits not in excess of those established thereunder, and may be appointed to any class in the Foreign Service Reserve or Staff in accordance with the provisions of such Act.

[(d) Alien clerks and employees employed for the purpose of performing functions under this title shall be employed in accordance with the provisions of the Foreign Service Act of 1946, as amended.

[(e) Officers and employees of the United States Government may be detailed to offices or positions to which no compensation is attached with any foreign government or foreign government agency or with any international organization: *Provided*, That while so detailed any such person shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits, an officer or employee of the United States Government and of the United States Government agency from which detailed and shall receive therefrom his regular compensation, which shall be reimbursed to such agency from funds available under this title: *Provided further*, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government.

[(f) Experts and consultants or organizations thereof may be employed as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and individuals so employed may be compensated at a rate not in excess of \$75 per diem.

[(g) Such additional civilian personnel may be employed without regard to subsection (a) of section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219), as amended, as may be necessary to carry out the policies and purposes of this title.

SEC. 414. No citizen or resident of the United States, whether or not now in the employ of the Government, may be employed or assigned to duties by the Government under this Act until such individual has been investigated by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State: *Provided, however*, That any present employee of the Government, pending the report as to such employee by the Federal Bureau of Investigation, may be employed or assigned to duties under this Act for the period of three months from the date of its enactment. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.]

* * * * *

INSTITUTE OF INTER-AMERICAN AFFAIRS ACT (PUBLIC LAW 369, 80TH CONG.)

SEC. 5. (a) The management of the Institute shall be vested in a board of directors (hereinafter referred to as the "Board") of not less than five in number, each of whom shall be appointed by the Secretary of State from among the officials and employees of the [Department of State] *Mutual Security Administration* and, in the discretion of the Secretary of State and with the consent of the Chiefs of other departments or agencies respectively concerned from among the officials and employees of other United States Government departments and agencies: *Provided*, That no person shall be appointed as a director under authority of this paragraph (a) until such person has been investigated by the Federal Bureau of Investigation.

(b) The Secretary of State shall designate one director as Chairman of the Board.

(c) The directors shall hold office at the pleasure of the Secretary of State.

(d) The directors shall receive no additional compensation for their services as directors but may be allowed actual necessary traveling and subsistence expenses incurred by them in the performance of their duties as directors.

(e) The Board shall direct the exercise of all the powers of the Institute.

(f) The Board may prescribe, amend, and repeal bylaws, rules, and regulations governing the manner in which the business of the Institute may be conducted and in which the powers granted to it by law may be exercised and enjoyed: *Provided*, That a majority of the Board shall be required as a quorum.

(g) In furtherance and not in limitation of the powers conferred upon it, the Board may appoint such committees for the carrying out of the work of the Institute as the Board finds to be for the best interests of the Institute, each committee to consist of two or more of the directors, which committees, together with officers and agents duly authorized by the Board and to the extent provided by the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the Institute.

* * * * *

[SEC. 8. The Secretary of State shall have authority to detail employees of the Department of State to the Institute under such circumstances and upon such conditions as he may determine: *Provided*, That any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of the Government by virtue of such detail.]

SEC. 8. The Mutual Security Administrator shall have authority to detail employees of the Mutual Security Administration to the Institute under such circumstances and upon such conditions as he may determine, and the Secretary of State, upon the request of the Mutual Security Administrator, may detail employees of the Department of State to the Institute: Provided, That any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of the Government by virtue of such detail.

* * * * *

NATIONAL SECURITY ACT OF 1947 (PUBLIC LAW 253, 80TH CONG.)

NATIONAL SECURITY COUNCIL

SEC. 101. (a) There is hereby established a council to be known as the National Security Council (hereinafter in this section referred to as the "Council").

The President of the United States shall preside over meetings of the Council: *Provided*, That in his absence he may designate a member of the Council to preside in his place.

The function of the Council shall be to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security so as to enable the military services and the other departments and agencies of the Government to cooperate more effectively in matters involving the national security.

The Council shall be composed of—

- (1) the President;
- (2) the Vice President;
- (3) the Secretary of State;
- (4) the Secretary of Defense;
- (5) the Chairman of the National Security Resources Board; and

(6) The Secretaries and Under Secretaries of other executive departments and of the military departments, the Chairman of the Munitions Board, *the Mutual Security Administrator so long as the Mutual Security Administration shall continue to exist*, and the Chairman of the Research and Development Board, when appointed by the President by and with the advice and consent of the Senate, to serve at his pleasure.

* * * * *

PUBLIC LAW 171, SEVENTY-NINTH CONGRESS, AS AMENDED (59 STAT. 512)

SEC. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange or monetary transactions, there is hereby established the National Advisory Council on International Monetary and Financial Problems (hereinafter referred to as the "Council"), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce,

the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the Export-Import Bank of Washington, and, during such period as the [Economic Cooperation Administration] *Mutual Security Administration* shall continue to exist, the [Administrator for Economic Cooperation] *Mutual Security Administrator*.

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XX. APPENDIX

I. EXCERPTS FROM INFORMATION DEVELOPED BY HOUSE FOREIGN AFFAIRS COMMITTEE MEMBERS OF THE CONGRESSIONAL STUDY GROUP IN EUROPE, JUNE 8-19, 1951

(AFTER DELETION OF SECRET MATERIAL)

PREFACE

A special congressional group of 18 Members from the Committees on Foreign Affairs, Appropriations, and Armed Services, headed by Chairman James P. Richards of the Foreign Affairs Committee, undertook on June 8 a special study mission to Europe. The trip was taken upon the invitation of the Department of Defense, with the concurrence of the Department of State, in advance of hearings on the Mutual Security Program legislation.

After authorization by Speaker Rayburn, the following Members were designated to comprise the special group:

COMMITTEE ON FOREIGN AFFAIRS

Mr. Richards, South Carolina (chairman)
 Mr. Gordon, Illinois
 Mr. Mansfield, Montana
 Mr. Battle, Alabama
 Mr. Chipfield, Illinois
 Mr. Smith, Wisconsin
 Mr. Judd, Minnesota
 Mr. Herter, Massachusetts

COMMITTEE ON APPROPRIATIONS

Mr. Rooney, New York
 Mr. Gary, Virginia
 Mr. Sikes, Florida
 Mr. Wigglesworth, Massachusetts
 Mr. Coudert, New York
 Mr. Cotton, New Hampshire

COMMITTEE ON ARMED SERVICES

Mr. Brooks, Louisiana
 Mr. de Graffenried, Alabama
 Mr. Short, Illinois
 Mr. Cole, New York

The representatives left Washington June 8, spending the 9th and 10th in Paris, where conferences were held with the Supreme Allied Commander, Europe, Gen. Dwight D. Eisenhower; the United States deputy to the North Atlantic Council, Ambassador Charles M. Spofford; the commander in chief, United States Army Forces in Europe, Gen. Thomas T. Handy; the ECA special representative for Europe, Ambassador Milton Katz; with the United States member of the Defense Production Board, Mr. William L. Batt, and with other American officials.

The members left for London Sunday evening, June 10, where they consulted on June 11 with Ambassador Walter S. Gifford; commander in chief, Allied Forces, Southern Europe, Admiral Robert B. Carney; commanding general, Third Air Force, Maj. Gen. Leon W. Johnson, and other American officials. Several air bases in England were inspected.

The following morning, June 12, seven members (Representatives Richards, Chipfield, Judd, Rooney, Sikes, Brooks, and Cole) flew to Oslo, Norway, and seven (Representatives Gordon, Mansfield, Smith, Gary, Cotton, deGraffenried, and Short) departed by air for The Hague, leaving four members (Representatives Battle, Herter, Wigglesworth, and Coudert) in London to concentrate on economic studies there and in Paris. This last group later submitted findings which were received for presentation to the Foreign Affairs Committee.

The Oslo and The Hague parties met in Brussels on June 13, after having conferred with American officials and inspected defense facilities in Norway and the

Netherlands. While in Belgium the group held executive-session hearings with Ambassador Robert Murphy and other officials. Belgian military authorities staged a demonstration of the MDAP training program.

On June 14, the members left for Western Germany, visited General Handy at Heidelberg, observed French engineer activities at Speyer and French tank training at Lachen, spending the evening of the same day in consultation with commanding general, Allied Air Forces, Lt. Gen. Lauris Norstad, at Wiesbaden.

The members divided again on June 15; one group (Representatives Sikes and Brooks) leaving for other parts of Germany to observe American troop facilities and the other flying to Italy. At Udine, Italy, the members conferred with Ambassador James C. Dunn and other American officials, afterward witnessing an impressive demonstration by Italian forces at Pontecorvo.

All 18 members of the group then rejoined in Paris, Friday night. During the week end, final consultations were held with General Eisenhower, Ambassador David Bruce, and others, and the members left Paris Monday evening, June 18, arriving in Washington the following morning.

The material which follows is a summarized arrangement of factual data obtained by the Foreign Affairs Committee members of the special study mission. At all the points visited, the group was given information by American officials who cooperated in a spirit of frank readiness. Some of this information was submitted; part was elicited in response to interrogation. It is hoped that the facts assembled here will prove useful during consideration of the Mutual Security Program legislation.

JAMES P. RICHARDS, *Chairman.*

JUNE 25, 1951.

A. MILITARY EQUIPMENT AND WESTERN EUROPEAN DEFENSE

General Eisenhower indicated that his major problem was not raising manpower but providing equipment and training for the manpower that is and can be made available. The equipment problem is one of what and how much should be supplied by the United States and what is to be provided by Europe.

General Handy pointed out the basis for furnishing equipment by the United States as follows:

"One thing I would like to make clear is that there has been a lot of discussion about equipping divisions. We are not equipping any of these divisions from the ground up but we are only giving them the major items of equipment, not including such things as uniforms. We are giving them the things that they lack."

Generally speaking, this means complicated types of end items, particularly those having a long production "lead time." There is no hard and fast rule on this, but there is a tendency in United States officials to favor the production of more end items by the United States at the expense of European production, largely on the belief that United States produced equipment is better.

Production of military equipment in Europe has many difficult problems not yet resolved. European officials are reluctant to undertake production in absence of firm decisions on standardization, both as to the types of end items to be produced and as to many of the component parts where considerable retooling may be required.

Another difficulty is the patent problem. Even if firm decisions have been made on what is to be manufactured, the number and complexity of the patents on typical end items, and the legal restrictions of foreign manufacture in time of peace now make it difficult to plan and schedule production in Europe.

Another problem is the difficulty in getting European nations to place orders in other European countries, and the question of relating production capacity to total needs, regardless of national considerations. There is now—whether justified or not—a desire in each nation, for purely national reasons, to produce all that country's military needs, regardless of what duplication may be involved.

However, national pride has some beneficial effects. Against the tendency of Americans to believe that only the best can be produced in the United States, some European countries feel they can develop an item as good as the American product. This has been done in some instances and European manufacture has begun.

In order to make Europe self-sustaining in military equipment, the United States has been working to get European countries to plan their end-item production to include replacements and spare parts, thus reducing dependence on the United States.

B. ECONOMIC STEPS TAKEN BY EUROPEANS TOWARD DEFENSE

1. *Productivity.*—According to Ambassador Katz, after a slow start the Europeans are making progress in the improvement of methods and techniques. Most of the NATO countries have set up Government-sponsored productivity centers, which are cooperating with the ECA Technical Assistance Program. Industrial productivity consultants are provided to European plants, technical-assistance teams are sent to the United States, technical information is disseminated in Europe, and industrial-training films are distributed. Ambassador Katz estimates that the aggregate gross national product of the European NATO countries will be raised from \$99,000,000,000 to \$103,000,000,000 during the next fiscal year. He also believes that the level of production per man-day can be increased approximately 4 percent.

2. *Increasing defense production.*—Here, too, Europe has made a slow start. Lack of defense appropriations and lack of heavy munitions industry are the chief causes. In the fiscal year now ending, production of military hard goods in the seven major NATO countries will probably under present estimates amount to \$1,500,000,000. Ambassador Katz believes that this amount can and should be more than doubled during the coming fiscal year.

3. *Increasing production of power and scarce materials.*—Electric power-generating capacity is increasing at the rate of 4,600,000 kilowatts (or 10 percent) per year. European petroleum-refining capacity is expected to increase from the present rate of 1,000,000 barrels per day to 1,250,000 barrels per day by the end of 1952. Steps are being taken to increase the supply of coal, presently in serious short supply in Europe. Production of sulfur from iron pyrites (to take the place of crude sulfur from the United States) is being increased, and the production of nonferrous metals is rising. The total production of the six principal nonferrous metals has risen from 340,000 tons in the first quarter of 1950 to 378,000 tons in the first quarter of 1951.

4. *Conservation and allocation of materials in short supply.*—The European countries have made a slow start in this area. For the most part, comprehensive systems of controls have not been established. No country has a priority system comparable to the United States system of DO ratings (although the United Kingdom and the Netherlands have established priorities on a few materials). Some countries, including the United Kingdom have required across-the-board reductions in the uses of certain materials. End-use prohibitions similar to those in the United Kingdom have been fairly commonly applied, but on limited numbers of materials, principally nonferrous metals. Western Germany has begun to work out a fairly comprehensive system of allocations controls and has agreed to give priority to mandatory occupation orders and NATO export orders.

To a certain extent, lack of progress in the area of materials controls is merely a symptom of lack of progress in military production. The European governments have tried to avoid shutting down their civilian industries by delaying a cut-off of raw materials until these industries are converted to military production. With the solution of the military-production problem, more substantial progress in materials controls can be expected.

5. *Control of inflation.*—The European countries have had less success than the United States in controlling inflationary influences set off by the Korean War. Particularly since the beginning of 1951, wholesale prices and the cost of living have increased at a faster rate than in the United States. This is due partly to Europe's greater dependency on imports of raw materials, the world price levels of which have risen sharply, and partly to the failure of the European governments to apply stringent inflation controls. Comprehensive price controls have not been introduced in any country, and tax increases are coming slowly.

C. UNITED STATES MILITARY END-ITEM PROGRAMING AND ASSISTANCE

In order to equip the forces which are called for by NATO planning and which the European countries have undertaken to raise, they will require from the United States during fiscal year 1952 an estimated \$5,300,000,000 of major items of military equipment. These are items which they cannot make for themselves within the allotted time, either because they lack specific production facilities or they are unable to devote more than a certain portion of their resources to defense efforts without overstraining their economies and creating serious social and political pressures.

(a) The following are the 17 major steps in the development of end-item programs:

- (1) Joint Chiefs of Staff (JCS) issue a directive.
- (2) Joint American Military Advisory Group (JAMAG) issues instructions to Military Assistance Advisory Group (MAAG).
- (3) MAAG requests data (including deficiency lists) from countries.
- (4) Countries prepare and submit data to MAAG.
- (5) MAAG, with coordination of ECA missions, screens, completes, and submits data and program recommendations to JAMAG.
- (6) JAMAG, with collaboration of United States representative, North Atlantic Treaty Defense Production Board (SUSREP), screens and consolidates data, prepares recommendations thereon and transmits data and recommendations to services.
- (7) JCS allocate tentative program and ceilings by service and country (funds to be requested from Congress).
- (8) JAMAG receives JCS allocations and directs MAAG to develop and refine programs within ceilings.
- (9) MAAG works with countries on programs.
- (10) Countries certify that programs represent their request for military assistance.
- (11) MAAG, with coordination of ECA missions, screens, completes, and submits programs to JAMAG.
- (12) JAMAG, with collaboration of SUSREP, screens, consolidates, prepares rerecommendations and transmits programs to services.
- (13) Services screen, make appropriate changes and submit programs to Bureau of Budget through ISAC.
- (14) Bureau of Budget reviews programs. Programs are presented to Congress. Enabling legislation is enacted.
- (15) Services finalize programs in accordance with legislation and submit them to International Security Affairs Committee (ISAC) through Department of Defense for approval.
- (16) ISAC approves programs.
- (17) Services distribute programs and initiate implementation.

D. UNITED STATES DELIVERIES OF END ITEMS

According to General Handy, "To date, approximately 50 percent of fiscal 1950 program by money value has been delivered." The general explained, "This figure is a pure money value and it does not give a real picture of the situation due to the fact * * * that many of the items contained in that first program came from excess stocks and dollar charges to the program, for these items have been small. All they needed to do was to pay for the rehabilitation and shipment of much of that stuff."

General Richards of General Eisenhower's staff stated: "We hope the 1952 procurement will be delivered by some time in 1953. In 1953 we hope to see all forces in France armed with the equipment for which you have appropriated funds. We don't think all the reserve equipment will be there, nor some of the spare parts. However, we would like to have all the organizations armed with that equipment."

E. UNITED STATES POLICY ON EUROPEAN PRODUCTION OF MILITARY EQUIPMENT

According to the office of the special representative ECA in Europe, the United States policy on production of military equipment in Europe is as follows: " * * * to encourage production by a country of its own type, if the country itself has the type of equipment listed as militarily acceptable provided that:

- (a) Capacity can be made available which will allow production in such quantities as will satisfy all or a major portion of the producing country's requirements.
- (b) Unit costs are not excessive compared to costs of productions elsewhere.
- (c) Deliveries can be scheduled within adequate time limits.
- (d) Country types are not definitely inferior from military use standpoint, to United States or other types, or the production of which would not unnecessarily complicate the standardization problem."

In accordance with these criteria, the United States does not encourage proposals to manufacture items on the NATO Standing Group list to which exceptions by the United States are noted.

In other cases, the policy is: "If the country does not have the type of equipment listed as militarily acceptable by the Standing Group but does have capacity to produce the complete or nearly complete item, the United States encourages production by the country of the United States types provided that:

(a) There are not other acceptable types that can be produced as quickly or as efficiently.

(b) The complications of acquiring United States licenses, patent rights, special tools, etc., would not unduly impede the undertaking. * * *

One example of the application of the above criteria is the United States recommendation that Italy produce the French type of 155-millimeter howitzer.

F. TRAINING FURNISHED BY UNITED STATES UNDER THE MUTUAL DEFENSE ASSISTANCE PROGRAM

(a) *Objective.*—Training has been furnished under MDAP to insure proper maintenance and operation of equipment provided. An over-all objective has been to assist in the establishment of training and operational procedures which can be supported by the foreign governments when United States participation is withdrawn.

Types of training furnished have included school training in the United States and in Europe designed to qualify foreign nationals for instructor duties in their own services. To date, no facilities for naval training have been available in Europe.

(b) *Schedule.*—Training already accomplished, or scheduled, under MDAP, is as follows:

	1950 and 1951 approved programs	Scheduled under 1951 supplemen- tal program
Army (approximate).....	2,950	1,200
Navy (approximate).....	300	200
Air Force (approximate).....	2,000	900

Requests for additional training under the 1952 program, already submitted to the Department of Defense for approval, are Army, 1,625 students; Navy, 650 students; and Air Force, 3,650 students. (Figures given for the Navy do not include precommissioning and limited technical training, which for 1950 and 1951 approximated 2,000 personnel.)

(c) *Limiting factors.*—Factors limiting participation by countries in United States training have been:

(1) Failure to provide for travel and other expenses.

(2) Lack of sufficiently qualified English-speaking personnel.

(3) Reluctance to release officers for training outside their countries, mainly due to world situation.

An initial problem was to phase the training programs so as to have sufficient trained personnel on hand ready to receive, process and maintain United States equipment as it was delivered. The study mission was informed, according to Gen. A. F. Kibler, this problem has been largely resolved as a result of the 1950 and 1951 training programs. Present training emphasis is on establishment of schools within the countries, so that men trained in the United States can carry on instruction for their own armed forces. Minimum essential items for training purposes have been delivered in advance of the bulk of equipment.

(d) *Evaluation.*—General Kibler advised that reports received from United States schools where foreign nationals have been trained indicate that students of the highest caliber have been sent to receive instruction.

General Kibler stated that "Our current evaluation of the training situation in all NATO countries, with the exception of the United Kingdom, is that there is yet much to be accomplished." He added that progress under the MDAP "has resulted in a steady and substantial improvement in the over-all training situation."

G. ROLE OF SENIOR UNITED STATES REPRESENTATIVE ON NATO DEFENSE PRODUCTION BOARD

The SUSREP staff includes military and civilian specialists. Within the staff the working-level responsibility for screening end-item programs lies primarily within the Production Resources Division. This Division is composed of seven sections, each relating to a major category of military end items. These categories are aircraft, armament, electronics, materials, production equipment, ship-building, and vehicle and engineering equipment. This staff is flexible in its operation, draws upon the personnel of the ECA country missions, the MAAG's, OSR, and occasionally the consultants made available upon request of Munitions Board in Washington.

Information required.—To discharge its duties on the end-item program, SUSREP must have information on national deficiencies, national production capacities, national production programs, national defense budgets, and ECA estimates of financial capabilities for defense purposes.

National deficiencies are obtained for SUSREP by JAMAG from the MAAG's. These deficiencies are established by subtracting existing and programed resources from the requirements as established by approved tables of equipment for committee forces.

National production capacities of all NATO countries for the nine major categories of military equipment are determined by industrial surveys made by international task forces, composed of specially qualified representatives of NATO countries.

National production programs.—SUSREP has two independent sources for obtaining the production programs of the various countries. One is the tabulation of replies to questionnaires sent out by the Defense Production Board. The other is from information supplied by the MAAG's which work in collaboration with their respective national defense organizations.

National defense budgets are obtained from three sources: the DPB, the FEB and the United States "country teams."

Screening.—SUSREP screens end-item programs at two points. The first screening occurs when the MAAG's submit their country deficiency lists and program recommendations. Here SUSREP does not recommend any deletions but advises JAMAG on which country program items can be produced or procured in Europe in the quantities and time limits established by the military authorities. This screening is done after the "country teams" have screened the country requests.

The second screening takes place after funds have been allocated. SUSREP collaborates with JAMAG and OSR in guiding the refinement of country end-item programs. These offices and the country teams screen the programs to identify any items which could be produced in Europe within the limits of productive capacity and available funds. The programs are then modified in conjunction with the countries to delete such items. This process is continuous since programs must be and are constantly adjusted to reflect changes in country production plans. While the primary action is at the country level, SUSREP provides information and advice which enables the total European productive capacity to be taken into account.

H. UNITED STATES ECONOMIC CRITERIA TO STEP UP NATO DEFENSE EFFORT

The following formulation of economic aid policy forms in substance the basis of ECA operations:

1. *Primary purpose of aid.*—Primary purpose of United States economic aid is to provide for European countries resources from the dollar area which are currently needed to support an adequate defense program, must be obtained from the dollar area, and in the absence of external aid cannot be financed by the recipient country without excessive domestic strains.

2. *Advance planning.*—Accordingly, advance planning for United States aid is based on a forecast of dollar balance of payments deficit predicated on the assumption that the recipient country is devoting adequate resources to its own defense program, requirements for which would also be affected by United States end-item aid and by assistance to defense programs of other NATO countries. Dollar deficit forecasts are examined by the United States to eliminate elements which result from inadequate utilization of domestic or nondollar resources, or absorption of resources in nonessential uses through failure to adopt measures to channel resources into defense and essential civilian needs.

3. *Appraisal of defense effort.*—The upper limit for United States economic aid would normally be set by the foregoing calculation. How far, within this limit, aid will in fact be given depends upon the appraisal of a particular country's effort to establish effective military forces (apart from the effect of such an effort upon its forecast of dollar balance of payments deficit, already taken into account). To the extent a country fails to make the requisite defense effort, its dollar needs will not be met. This approach is necessary because United States aid will be most effective if it induces maximum self-help and effective unity of NATO countries depends upon each making its appropriate contribution to the collective cause.

4. *Form of aid.*—Once the foregoing determination of the amount of aid has been made, the question arises as to the specific form of aid, especially how directly it relates to the military program. Ambassador Katz informed the group that this is really a question of the techniques of making aid available, and is distinguishable from the questions of eligibility and the determination of the amount. Normally, a country's total dollar import program (to be financed partly by United States aid and by a country's own dollar resources) will include commodities necessary to support a basic civilian economy (wheat, cotton) as well as commodities to be used directly in military production (machine tools, metals). To the greatest extent practicable, United States economic aid is programed toward the second category of imports to emphasize that the primary objective of the aid program is to assist the defense effort and to provide greater assurance that the defense program upon which the amount of economic aid has been promised will, in fact, be carried out.

An attempt is made in such programing to avoid distortions of normal commercial practice.

5. *Evaluation of performance.*—The United States judgment on how and whether each country is doing its share is arrived at by the following criteria: The country's total budget; the country's military budget; the size of the country's planned military production program; the measures taken by the country for conservation of essential materials and the measures taken to channel essential materials into essential production by the adoption of an allocation and priorities system; and finally, all these factors are considered against the economic background of the country's real resources and the use it is making of them, this latter being judged by the size of the gross national product, its make-up and its recent and forecast rate of growth.

I. SUMMARIES OF SITUATIONS IN COUNTRIES VISITED

1. France

In the opinion of General Eisenhower, France is the key to the NATO effort. France must provide the military leadership that will bring her back to her former position of military prestige, power, and pride. Despite the fact she was bled white during World War II, the situation is improving. France is putting forth a tremendous military effort in Indochina, which has cost her some 26,000 men killed. Should Indochina fall into Communist hands, the general warned, it might mean the fall of the whole Far East to communism. Ambassador Bruce told the group that were it not for the Indochina conflict, military production in France could increase by 300 percent. Compared with her best year, 1929, overall industrial production today is 10 percent higher.

(a) *Morale and will to fight.*—Morale has been steadily strengthened as a result of economic recovery, the rebirth of national self-confidence and consciousness of growing national strength, and an increasing belief in the possibility of a successful collective defense against invasion. General Handy expressed his views on this point in these words, "there has been a marked change and a very decided psychological one for the better in the past year." Speaking of Communist infiltration in the French Army, General Handy pointed out that universal service brings Communists or Communist sympathizers into their armed forces. He stated, however, that at present there is little infiltration in the officer corps. He feels there is none in the higher-ups, and that conditions in France compared to what they were 4 years ago are entirely different. The arrival of United States equipment and the appointment of General Eisenhower have had far-reaching effects on both civilian and military morale. The French will to fight is increasing in direct proportion to the average Frenchman's estimate of the chances of successful defense against occupation.

(b) *Stability of government.*—In the parliamentary election of June 17, 1951, the votes cast by parties were (in thousands):

	Votes	Assembly seats
	<i>Thousands</i>	
Communists.....	5,001	101
Socialists.....	2,745	104
Popular Republicans (MRP).....	2,225	86
Radicals.....	2,194	95
Rightists and Independents.....	2,472	99
Gaullists.....	4,040	117

(c) *Communist strength.*—Membership in the party is now estimated at 700,000 as against approximately 1,000,000 in 1946. In the 1946 elections there were approximately 5,500,000 Communist votes. In 1946 the Communist-controlled CGT claimed nearly 6,000,000 members; its membership is now 1,500,000. Since the failure of the all-out political strikes of 1947–48, the Communists have been incapable of staging large-scale political strikes or sabotaging MDAP deliveries or the French defense effort.

(d) *French military effort compared with that of United States.*—Mr. Tomlinson, Treasury attaché in the American Embassy, Paris, and finance and trade adviser to Mr. Parkman, pointed out that strictly financial comparisons of military effort in different countries are misleading, stating that “if the French gave their men and officers even one-half the pay and amenities which the American people give to their Armed Forces, the French military effort would rise from 9.7 percent of GNP to 14 percent for 1951 (or approximately the same percentage as the United States).”

(e) *Difficulties in increasing military production.*—The French armaments industry needs a sizable amount of reconversion, retooling, and raw materials. Five years of enemy occupation and 5 years of postwar effort devoted to civilian recovery have reduced its immediate capacity to produce war material to a very low level. Despite nearly full employment of labor, there is still room for industrial expansion, provided additional financial resources can be secured.

The main factor limiting additional production is inadequate financial resources available to the Government. The level of taxation is already high—32 percent of GNP compared to 25 percent in the United States. Further, France has certain priority military expenditures which come before military production—such as, the war in Indochina, air bases, communications, radar network, and other infrastructure needed for her share of Western European defense. Also, the experience of 30 years of inflation makes it very difficult to attract savings to public institutions.

(f) *France's need for dollars.*—If France were not undertaking a rearmament program, according to Mr. Tomlinson, it is possible that France would have been able to earn the dollars she would need because of the demand for French goods that would result from the rearmament program in the United States. However, France is rearming on a substantial scale. Inflationary pressures will increase in the United States and France. As a result, France's dollar import needs for higher levels of production will undoubtedly increase; and some of her dollar exports which have increased recently, particularly for steel products, will now have to be diverted to her own rearmament needs.

(g) *French obligations in Indochina.*—Ambassador Bruce told the group that to date the cost of French military operations has been equivalent in dollar terms to the Marshall plan aid that the French have thus far received. The present yearly cost is about \$800,000,000.

French losses have been heavy, particularly among officers. Since French law does not permit new draftees to fight in Indochina, the professional army alone has been committed to this operation. This has reduced by about half the number of officers available for training French troops assigned to NATO units. Similarly, supplies have been diverted to the forces in Indochina at the expense of units in France.

(h) *Production of munitions.*—The French have capacity for and production of practically all types of conventional munitions. Important items: Aircraft, artillery, light naval vessels, combat vehicles, ammunition, electronics, small arms, trucks, engineering equipment (most important are italicized).

2. United Kingdom

(a) *Morale and will to fight.*—General morale is high. Recognition of the danger is realistic and there is no neutralism or defeatism, although there is some popular feeling that the United States should treat the United Kingdom more as an equal partner and less as a junior member of the firm. The will to fight is rated as high as that of any NATO nation.

(b) *Stability of Government.*—The Labor Government has a bare majority in Parliament and its vote-gathering capacity has been reduced in recent by-elections. Even dissident left-wing labor members, however, follow rigorous party discipline and the party has voted solidly on all issues which have threatened its downfall. There are signs that its recent decline in popularity has been checked, and an early general election is no longer anticipated.

(c) *Communist strength.*—The Communist Party has no political strength and no members in Parliament. A number of crypto-Communists were defeated in the 1950 election. The Communists still retain control or have substantial influence in a number of unions, but many unions are waging a vigorous fight, with some success, to oust them from control.

(d) *Manpower.*—In reply to the criticism that Britain may not be giving enough manpower to the defense effort, Mr. Batt, Chief of the ECA mission to the United Kingdom, replied that the following factors should be considered:

(a) Tremendous losses of manpower during World War II.

(b) Full employment in United Kingdom.

(c) It would be tragic to take men out of dollar-export producing industries.

Dollar exports are just as important to United Kingdom as is the building up of armaments.

(e) *Production of munitions.*—The United Kingdom can produce military items of practically every type and is producing some items in almost every category. However, for reasons of efficiency of production and to meet required time phasing, the United Kingdom is being supplied some United States types as end-item aid.

3. The Netherlands

(a) *Morale and will to fight.*—Ambassador Chapin summarized the situation in the Netherlands as follows: "They (the Dutch) recognize the necessity for a greater effort. At first, I think, there was considerable resistance, or should I call it unconscious resistance, in the minds of some members of the Cabinet and some members of the States General, particularly of the lower house, but when I say unconscious resistance, they recognize the menace but hoped against hope that it was not going to happen, and they want to keep up the standard of living and are reluctant to take measures that were needed. They also had the feeling that perhaps again it would not come in the form of an invasion of the west. Then that was compounded by a feeling at first that their case was hopeless. They are a small nation. They do not have an army worth mentioning. Again, during the war the Army was completely destroyed here and in Indonesia, so that their Navy is one of the few things they have which is good. That occupies a certain strong psychological place in Dutch sentiment. They felt, as I say, a little hopeless against invasion for they could not see anything that could stop any Russian Army if it began in Germany until it reached the sea. Now, I think, that they have realized this can be stopped. Again, part of that psychology was the feeling that they would be perfectly willing to join in an effort which was to contain the Russian forces eastward, but they are not very keen about being liberated again. Not until quite recently—and, I think, in fact, the visits of General Eisenhower had a great deal to do with it—they were not at all sure that if the blow came we would pull out and taken everything we had to England or take it south, behind the Pyrenees. So, in that frame of mind, which I hope I have described correctly, we have had to approach the whole problem of rearmament here. We have found the Dutch slowly becoming more and more conscious of the menace. They are now completely convinced, certainly in the armed forces, and certainly the Government."

(b) *Stability of government.*—The political situation was outlined by the Ambassador as follows: "First, this country, as you know, has a government which is a coalition government. It is largely made up of the Labor Party, or Socialist Party, and the Catholic Party, and, as you may know, everything in Holland is run, more or less, on sectarian lines. The Dutch take religion extremely seriously, even in politics and trade-unions and employers associations. There are three Ministers who represent the Conservative Calvinist parties, and I might say that the Catholic Party in itself is a coalition, since the vast majority of its members are workingmen, so that in their social policy they follow a line very similar to the

Socialist group. The Socialist group might be described as somewhat more to the right than you would normally think of a Socialist program, but this country is quite progressive in its legislation regarding old-age benefits, insurance, etc. They have good labor laws and very few labor disputes. That in turn comes from a set-up which was established during the war when the employers and employee associations could get together and iron out disputes before they arose. But the Socialist Party has a long tradition dating back before the First World War of pacifism—very active pacifism. Holland has been traditionally neutral and has been ever since the Napoleonic wars and I have always felt the Dutch are still surprised, as well as angered, at being invaded by the Germans during the last war. During the First World War they profited a great deal by being neutral and much of the housing was built with the profits of that war. But as I say, there has been this traditional neutralist attitude, much as in Switzerland. They now realize what is happening.”

(c) *Communist strength.*—The position of communism was described by the Ambassador in these words, “I would say that communism reached its peak right after the war when the reputation of the Soviet Union was very high. Right after the war in Amsterdam and Rotterdam it reached as high as 25 percent of the electoral returns. It has since declined considerably. The peace campaign was a complete fizzle here. It failed so badly that it had to be called off. There is no Communist threat. They are down to 34,000 membership in the country with a hard core who do all the work of approximately 10,000; 75 percent have not paid dues. That is, the labor union which includes a lot of Communists. There are 163,000 on paper with actual membership at about 80,000; but of those only about 34,000 are enrolled Communists, and the 10,000—negligible.”

(d) *Attitude toward the United States.*—Ambassador Chapin called attention to this situation: “Indonesia is still a very touchy subject, and I will not go into it today except to point out that there is a lingering feeling of resentment—rightly or wrongly—in certain groups in Dutch society; in all ranks of society, particularly in old colonial groups, against the United States, in that they feel that we were partially responsible for the loss of the colonies. We know now that it (the feeling) was wrong, but it was inevitable.”

(e) *Military effectiveness.*—The Netherlands is improving its armed strength and effectiveness, and making good use of material received. Reorganization and acceleration are indicated in order to reach the maximum rate of build-up.

4. Belgium

(a) *Morale and will to fight.*—Ambassador Murphy gave this summary of the situation: “We feel here that on the military side the Belgians represent a very solid and progressive element. You must remember, of course, that practically all their officers and noncommissioned officers were prisoners of war and many of them spent as much as 4 years in German prison camps. That meant they were taken out of circulation, they were detached from the improvements in technique and military methods. In our opinion they are rapidly overcoming that handicap and I think that their morale and spirit has been mounting by the month ever since I have been here. I have been here about 18 months and I have confidence in their willingness and in their determination to move forward.”

(b) *Stability of Government.*—The Ambassador described the situation in these words: “This is a kingdom and it is called the Kingdom of the Belgians because it is divided between the Flemish area and the Walloon area. The Flemish speak a form of Dutch and the Walloons speak French, and that provides a cleavage, particularly difficult and which is apparent in every phase of the national existence. It is a complicated and difficult little country. There are more things here than meet the eye. It is governed right now by a single party government. The Social Christian Party is in power with a very slender majority: four in the House and three in the Senate. It is predominantly a Catholic country—about 90 percent Catholic. The Social Christian Party is made up of both Catholics and Protestants and the keynote is Christianity—the Christian principle * * * We have had difficulties of a political nature in the past year resulting from the so-called royal question. There was a terrific debate here last year over whether or not the King, Leopold III, would be returned to power because of his conduct during the past war. That tore the country apart in a way that it is hard for the average American to understand. That question has been settled, we believe. Next month on the 17th of July his son will become King and we believe that that issue is successfully shelved. It bothered us last year because it was disrupting the country and the cleavage lay between the Flemish

and Walloon elements. We have at the moment a very calm and quiet political situation to deal with.

"Now, as far as the economic situation, I think there the Belgians have led the parade as far as economic recovery is concerned. They took hold right after the war. They are an industrious people and a frugal people. They reorganized their economy after 4 years of occupation, which wasn't easy. A good many things were scattered and dissipated. They reformed their currency in 1946 in a very courageous manner with the result that you now have a very sound currency position. The Bank of Belgium—our Treasury attaché can give you figures—but I may give you just very broad ones. Their gold and foreign currency position is about \$700,000,000. They are producing about 5,000,000 tons of steel a year and about 30,000,000 tons of coal. They have problems relating to coal production which are extremely difficult because they have many high cost mines; marginal mines brought in right at the end of the war and they provide a very serious problem.

"Financially, I think, that Belgium's record stands up to the best. The governor of the Bank of Belgium here is a sound financial man, and under his management the currency has been held in a very strong position. There is a currency issue here of about 80 billion francs which is about \$1,500,000,000. The national debt is the equivalent of about 250 billion francs. That is a sort of broad general picture."

(c) *Communist strength.*—The situation was stated as follows by the Ambassador: "One effect that has been noticeable, particularly in the last 12 months, has been the drive on communism which I think has been more successful here than in many other countries of Europe. In 1946, right after the war, in the First Parliament the Communists had 46 seats in the House and Senate and today they have 10 seats and I think if there were elections tomorrow that probably would be cut in half. I think it is safe to say that at the moment—it may change next week or next month—that the influence of the Communist Party can be rated as insignificant in this area."

(d) *Munitions production.*—In build-up of combat units, Belgium is doing well. Improvement is possible in the effort Belgium is putting into munitions production.

5. Italy

(a) *Morale and will to fight.*—According to General Eisenhower, the Italian soldier today apparently has a new spirit as a result of having a cause in which he really believes. The appointment of General Eisenhower and the arrival of American equipment have greatly stimulated morale in the last 6 months. The will to fight is steadily increasing in direct proportion to the strength of Italian forces and belief that the combined allied effort will be capable of preventing occupation. The general told the group that he was much impressed with the military progress being made in Italy. Admiral Carney stated that the first tangible results of our MDAP program have been in Italy.

(b) *Stability of government.*—The Coalition government, headed by the Christian Democrats, enjoys reasonably good parliamentary stability, but differences of view among the groups in the Coalition sometimes result in delay and compromise. The Government is wholeheartedly behind the western defense effort.

(c) *Communist strength.*—Although the Italian Communists and their left-wing Socialist allies increased their popular vote to about one-third of the total in recent local elections, they lost control of a number of major cities. The Communists no longer have exclusive control of organized labor. In the last 2 years they have failed either to stage effective political strikes or to sabotage arrivals of American equipment or the defense effort. Recent defections of nationalist-minded Communists are causing the party concern.

(d) *Defense effort.*—Two basic problems facing Italian defense production are lack of skilled manpower and procurement of raw materials. A further factor is that Italy has been slow in developing modern agricultural production methods. ECA counterpart funds are being used for the development of southern Italy and ECA is advocating adoption of essential farm reforms, although the Italians constantly bring up political reasons why farm reform cannot be pushed at a faster rate. As a result of discussions and negotiations with the Italians, their defense effort went up to 6.2 percent of gross national product. Actual expenditures were some 50 percent over what they had been at the beginning of the effort.

6. Norway

(a) *Morale and will to fight.*—Despite its common frontier with the Soviet Union, Norway is one of the most ardent supporters of NATO objectives. The morale and will to fight are among the highest of any NATO country.

(b) *Stability of Government.*—The present Labor government has been in power since shortly after the liberation and has increased its strength in successive elections. The Conservative opposition fully supports it on foreign policy and NATO defense measures. The country is as stable as any in Europe.

(c) *Communist strength.*—Communism, never strong in Norway, has been reduced to negligible proportions.

(d) *Military effort.*—Norway has excellent military manpower and has completed formation of certain smaller units. A special military problem, because of small population and large, rugged area to defend, reorganization of administrative and support establishments is required. Norway requires technical military advice on organization and continued material aid.

J. INFORMING THE PUBLIC

High morale of the people of NATO countries is indispensable to the achievement of the objective, and public information is well-nigh indispensable to high morale. Careful consideration should be given by NATO and the United States to the classification problem, so that information can be made available wherever possible without divulging information useful to the enemy. There is a prevailing tendency to overclassify information, particularly by the United States. Efforts should be made to declassify as much information as possible.

The following statement of Ambassador Katz was impressive: "A concerted effort will be necessary to determine the maximum information that can be made public. In this connection there is no doubt that a very great proportion of the necessary information is overclassified. This must be remedied and a solution found to the problem of giving the public the full story, and soon, else it will be pulled out bit by bit under unfavorable circumstances and with deplorable delays.

"After all, no one would have surmised, 18 months ago, that all the details of our China policy could be splashed across the front pages of our newspapers, yet that is what has been happening, though admittedly not in the happiest of circumstances. A way must be found to put out the story on the security program and it must be radically different from the present condition in which a few competent American newspaper correspondents must rely upon hand-outs from foreign offices and defense establishments which are notoriously allergic to providing significant and revealing information."

Ambassador Katz pointed up the need for organizing a more effective information program. In reply to the question, "What can we do to make this job more effective, which we are trying to do?" he told the group:

"The Russians have a couple of things we have not. In the first place they represent something that these people don't know. Take your French peasant or a disillusioned laborer in Western Germany. He knows that what he has he does not like. He doesn't know what the Russians have, but what they promise him sounds pretty good. Of course, the closer he sees it in action the more his enthusiasm for it cools off. But it still represents an unknown quantity. In other words, the tendency is to vote against what you don't like and to hope that something else will be better. * * * The second thing they (the Russians) have is a completely determined, ruthless concentration on capturing the minds and spirits of people. They have been working at that full scale. They did not start yesterday or the day before, but they have been at it for 20 years. * * * They have been making a systematic, highly organized effort to capture the minds and spirits of people. * * * We should organize a systematic program to capture the minds and spirits of people. I do not think we have made quite as determined and systematic an effort."

General Eisenhower and Admiral Carney, as well as other officials interviewed during the trip, emphasized the need for better information dissemination activities by the NATO countries. Here are General Eisenhower's words:

"I have expressed a deep conviction concerning it, and I think we are certainly not using the intelligence we should have. Because here we are, spending billions in one facet, and in the direct attack against the mind we spend relatively little and not always in the most effective way."

"If this war is global, we can disabuse our minds of another thing that creeps in every once in a while—that there is an east versus west factor in this problem which we must resolve before we can proceed. Gentlemen, it is east and west. They have effects, one upon the other. Events in each case are simply not isolated, unrelated events. I think there might well be a relationship between the time that the Marshall plan was really reaching fruition in Europe and the

starting of the Korean War. It was time, I think, the Soviets felt they had to create a diversion. They just didn't like a growing strength and unity here. You know how they opposed it when it got started. And they have never stopped. * * *

K. SOME FACTORS IMPEDING PROGRAM EFFECTIVENESS

1. *Procurement and supply*

There is no central procurement arrangement in NATO for its defense forces. Each country is responsible for obtaining the items required for its own forces. Production of military equipment in one European country for use by the forces of another is subject to normal commercial procedures, that is, the individual countries must place orders with foreign suppliers without the aid of any priority or allocation assistance.

There exists no unified supply program for NATO as a whole. No assignment of supply responsibilities to each country has been made. Estimates of total European requirements by categories are reviewed and revised by the United States military authorities in the light of which prospective equipment deficiencies are estimated.

2. *Equipment standardization*

The group was told by General Schuyler that the rate of progress in equipment standardization has been slow. The reasons for this were given as follows:

"There are two extremes of standardization, neither one of which is desirable. One of those groups wants to get every nation to build its own equipment regardless of whether or not it matches the other equipment. The other extreme is not to let any nation build its equipment unless it matches the equipment of the United States. We have to consider it on an item by item basis. * * * General Eisenhower is interested in striking a middle course by utilizing all production available and still getting serviceable equipment on the whole field."

3. *Need for collective financing of military productions*

Mr. Batt explained that one of the difficulties in the production effort is the question of financing. The budgets of the NATO countries are not large enough to utilize their productive capacities. There is idle capacity in Italy, France, and some in Belgium which could be used if financed. This is a problem which the Financial and Economic Board of NATO is considering.

That production potentialities are not being fully or properly utilized was emphasized in Belgium. Ambassador Murphy informed the group that last December a scheme of collective financing of military production had been devised by Foreign Minister Van Zeeland which had been referred to NATO in London and is still under consideration in the Council of Deputies. It is a bookkeeping transaction modeled along the lines of the European Payments Union. Ambassador Murphy felt there was general agreement that some form of that scheme is essential, the big question being, who would meet the unpaid balance.

The ECA mission chief in Brussels, Mr. Gilchrist, advised that the new Financial and Economic Board of NATO is now trying to work out a plan directed toward using the potential capacity of Belgian industries.

L. TERMINATION OF ECA

One point in which the study group was particularly interested was the question of the termination of ECA. Following are extracts of comments made by United States officials on this matter.

1. *Belgium*

Question. Would it, in your opinion, be an advantage or a disadvantage to end ECA?

GILCHRIST (chief, ECA mission). I haven't the feeling of the people in the States for the answer to this question since I have been out of the United States for so long. There are strong arguments on both sides. * * *

Question. Organizationally, should (ECA and the Foreign Service) not be put together?

Ambassador MURPHY. * * * The answer may be "No" from the short-range point of view, while there is a special emergency job for ECA, but from the long-range point of view it would develop duality.

2. *Netherlands*

Question. Do you recommend the extension of ECA aid for the next fiscal year or do you think it could be ended?

HUNTER (chief, ECA mission). No; I don't think it could be ended. Because I am referring to the deficit in the balance of payments, and our aid directly helps in that regard. * * *

It is my opinion, and I have said this to the Government here in our team discussions, that with the rearmament program and the financial problems with the leveling off of prices in the States * * * the situation, prices of the department store sales, many of the cotton prices and wool prices, and everything except metals really have dropped very sharply. Those drops mean a great deal to Holland because they cut down the costs of her imports which is so serious, not only for the maintenance of the population but also the industrial mechanism which keeps on requiring raw materials.

* * * * *
Question. You do not expect it to be terminated in the Netherlands even then (end of fiscal year 1952), do you?

HUNTER. No; I really do not.

3. *Norway*

Question. * * * Should, in your opinion, and in the opinion of the others here, ECA as such be ended and these functions be set up under a new agency to avoid the propaganda that ECA was always a blind and deception, and that now the cat is out of the bag?

AMBASSADOR BAY. It has always been my opinion that the greater unification which can be brought about the more efficient it would be. ECA had a very distinct function in the beginning, but now we have admitted it is a joint fiscal venture, putting first emphasis on defense, joined with that degree of economic development which would put the country in a position to resist aggression. The emphasis since January has been on the defense program.

* * * * *
Question. Do you think it would be better to end ECA?

AMBASSADOR. It would be better to end ECA and work with the military.

GROSS (chief, ECA mission). For whatever it may be worth, I would like to express a different opinion. I think there is a distinct value in keeping alive the concept of the necessity of continuing some economic support to the countries in a strictly economic way. If they don't get this they will lose ground through the drain of the military defense program.

4. *Paris*

KATZ (United States special representative in Europe for ECA). * * * So far as we are concerned here in Europe, for most practical purposes, the Marshall plan in the sense in which we understood it up to 6 months ago came to an end in early spring or this winter. That statement is subject to exceptions, of course, since Marshall aid is still going on in Greece and Austria.

But in February of this year we sent a letter to everyone of the countries getting Marshall-plan aid in which we explained the way in which, starting from this moment forward, all of our calculations for total economic aid would be made. I define economic aid to mean any form of assistance other than military weapons. The reason I make that distinction is this: Obviously, this so-called military aid is economic aid. When you give a country a gift of several billion dollars worth of weapons that is economic aid because it takes that much of a load off the country's own budget so that there is a certain contribution to the country's economy * * *.

* * * Here is the ECA job in the new set-up. One part of it is to get the countries to appropriate money and to take all of the other measures that we generally cover under the head of economic mobilization. Specifically, for example, we want them to appropriate money and to pass measures to prevent the consumption of scarce materials in nonessential production. In that connection we want them to use our aid so as to tie it into and make it a part of and help to support economic mobilization and production.

* * * * *
Question. How many countries will be pulled out from under the wing of ECA during the coming fiscal year?

KATZ. * * * If it hadn't been for the need to rearm, I think that the Marshall plan as we knew it until January (1951) might well have been ended in all of the Marshall plan countries during this coming fiscal year, except in Greece and Austria * * * even in the case of Italy.

Question. * * * Assuming the rearmament, what countries could be taken out of the program? * * *

KATZ: I would say the UK, Ireland, Portugal, and Sweden, with a reasonable chance of adding Belgium.

* * * * *
Question. Would you plan continuing the counterpart fund?

KATZ. I think that is 100 percent essential. I do not think ECA could have done a good job without it.

* * * * *
Question. You said ECA was set up to lick the internal threat which has been done, but now we are concerned with the external threat and therefore ECA's original functions have ended. Now, if it has ended in fact, why don't we end it in name and carry on these functions subsidiary to and in support of the military effort by another agency and use your personnel in an organization with a name which is accurate in its description? * * *

KATZ. May I answer that in two parts: First, the job; and second, the organization. With regard to the function, when you said that the function of fighting internal aggression is over, you did not mean it literally. The job remains of fighting the aggression on both fronts.

As far as the agency goes, I will just have to answer that in this way: I will have to answer personally and say that some months ago I made a recommendation to that effect myself. It was my recommendation that we should say we had finished our job and wind up. However, I am unable to judge all of the factors that bear on the decision which is made on that kind of question at home. I can only see the matter from the limited point of view that we have over here.

* * * I happen to feel that no aid program undertaken by the United States will ever be a really good one unless it has one of the things that ECA had, that is, a terminal date. I think one without a terminal date is a dangerous thing. In reviewing our whole experience in ECA, I have over and over again tried to figure out what seemed to me to be the essential elements in ECA experience showing what an aid program should be * * *. One thing is a terminal date that we take seriously and that we back up by saying, "25 percent down this year, 25 percent down next year, ending the year after that." * * *

If possible, we ought not get launched on aid programs without terminal dates. Bearing this in mind, I think that the idea of an agency carrying out foreign economic aid operations is a sound one at this time. I also have indicated that I believe economic aid in this sense is essential to effectuate the interests of the United States in Europe. I would like to see any program of that kind thought through the way ECA was, and I would like a careful calculation of how much time is needed to carry it through.

AMBASSADOR BRUCE. * * * my preference is to see it terminated. Temporary agencies of government, if left alone, always attract to themselves other missions and tend to become permanent agencies.

However, it would be a great shame if the facilities, some of them physical, but mostly personnel, were lost to the continuation of any assistance program voted by the Congress.

My own view is that even though you retain some of the personnel, and especially key personnel, that to cut off the Marshall plan organization, and say that its task has been terminated, will have a healthy effect not only at home, but also abroad. Were it possible—which I doubt that it is at this time—to set a terminal date on the new aid and have it administered by a new agency, I think it would be a salutary thing not only from our standpoint but from the standpoint of the foreign countries. If we cut off ECA aid in the most dramatic fashion, which would be the abolition of the organization with the initials ECA, then I think the foreigners would say to themselves that "the United States Government said it was going to carry on this assistance for a number of years, unless terminated sooner by circumstances, and we cannot count on them to continue for year after year. They meant what they said." I think it might have been the first time in our history that occurred.

II. THE WITNESSES

A. GOVERNMENTAL AND CONGRESSIONAL

- June 26, 1951:
Hon. Dean Acheson, Secretary of State.
- June 27, 1951:
Hon. Dean Acheson, Secretary of State.
- June 28, 1951:
Hon. Dean Acheson, Secretary of State.
- June 29, 1951:
Hon. George C. Marshall, Secretary of Defense.
Maj. Gen. S. L. Scott, Director, Office of Military Assistance, Department of Defense.
- July 2, 1951:
Hon. George C. Marshall, Secretary of Defense.
- July 3, 1951:
Hon. W. Averell Harriman, Special Assistant to the President.
Mr. Lincoln Gordon, Economic Adviser to the Special Assistant.
- July 10, 1951:
Hon. William C. Foster, Administrator, Economic Cooperation Administration.
- July 11, 1951:
Hon. William C. Foster, Administrator, Economic Cooperation Administration.
- July 12, 1951:
Hon. Thomas D. Cabot, Director of International Security Affairs, Department of State.
- July 13, 1951:
Gen. Omar N. Bradley, Chairman, Joint Chiefs of Staff, United States Army.
- July 18, 1951:
Hon. George W. Perkins, Assistant Secretary of State for European Affairs.
Mr. Paul Porter, Assistant Administrator, Economic Cooperation Administration.
- July 19, 1951:
Gen. J. Lawton Collins, Chief of Staff, United States Army.
Hon. Paul Porter, Assistant Administrator, ECA.
- July 20, 1951:
Gen. S. L. Scott, Director, Office of Military Assistance, Office, Secretary of Defense.
Hon. George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian and African Affairs.
Col. H. C. Burgess, Chief, Foreign Military Aid Branch, Supply Division, G-4, United States Army.
Commander George D. Hoffman, Office of Military Assistance, Office, Secretary of Defense.
Hon. George Meader, a Representative in Congress from the State of Michigan.
- July 21, 1951:
Hon. George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian and African Affairs.
Admiral Donald B. Duncan, Deputy Chief of Naval Operations (Operations).
- July 23, 1951:
Gen. William H. Arnold, Director, Joint American Military Mission for Assistance to Turkey.
Gen. Reuben Jenkins, Former Chief of Joint United States Mission for Assistance to Greece.
Hon. George C. McGhee, Assistant Secretary of State.
Hon. Dean Rusk, Assistant Secretary of State for Far Eastern Affairs.
Gen. H. J. Malony, Department representative, Southeast Asia Policy Coordinating Committee.
Mr. R. Allen Griffin, Director, Far East Program Division, ECA.
Hon. Kenneth B. Keating, a Representative in Congress from the State of New York.

July 24, 1951:

- Mr. John H. Ohly, Acting Assistant Director, International Security Affairs, State Department.
- Hon. George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian and African Affairs, State Department.
- Mr. Horace Holmes, Agriculturist for State Department and Department of Agriculture.
- Mr. William O. Hall, Director, Office of International Administration and Conferences, State Department.

July 25, 1951:

- Hon. Edward G. Miller, Jr., Assistant Secretary of State for Inter-American Affairs, State Department.
- Gen. Charles L. Bolte, Chairman, Inter-American Defense Board.
- Mr. Kenneth Iverson, Director, Institute of Inter-American Affairs, State Department.
- Hon. Charles J. Kersten, a Representative in Congress from the State of Wisconsin.

July 26, 1951:

- Hon. Richard Bissell, Deputy Administrator, ECA.
- Mr. John H. Ohly, Acting Assistant Director, Office of International Security Affairs, State Department.
- Brig. Gen. George H. Ohmsted, Deputy Assistant Chief of Staff, G-4, Department of the Army.

July 27, 1951:

- Hon. Richard Bissell, Deputy Administrator, ECA.
- Mr. John H. Ohly, Acting Assistant Director, Office of International Security Affairs, State Department.
- Brig. Gen. George H. Ohmsted, Deputy Assistant Chief of Staff, G-4, Department of the Army.

July 28, 1951:

- Hon. Charles M. Spofford, United States Representative to North Atlantic Council of Deputies.
- Gen. A. Franklin Kibler, Director, Joint American Military Advisory Group for Europe.
- Hon. Milton Katz, Economic Cooperation Administration Special Representative for Europe.
- Hon. William L. Batt, United States member, Defense Production Board.

July 30, 1951:

- Hon. Carlisle Humelsine, Deputy Under Secretary of State.
- Mr. Casper W. Ooms, consultant to the Secretary of Defense on patent matters (patents).
- Capt. George N. Robillard, United States Navy, Assistant Chief of Naval Research for Patents and Patent Counsel for the Navy.
- Mr. Michael Cardozo, Assistant Legal Adviser for Economic Affairs, Department of State.
- Hon. Henry G. Bennett, Administrator, Technical Cooperation Administration, Department of State.

July 31, 1951:

- Lt. Gen. Alfred M. Gruenther, Chief of Staff, Supreme Headquarters, Allied Powers, Europe

B. PRIVATE

July 17, 1951:

- Hon. Paul Hoffman, Ford Foundation.
- Hon. Nelson Rockefeller.

July 18, 1951:

- Hon. John M. Costello, American League for an Undivided Ireland.
- Mr. Merwin K. Hart, President, National Economic Council, Inc.
- Hon. Tracy S. Voorhees, Vice Chairman, Committee on the Present Danger...
- Mr. Robert Emmet Rodes.

July 19, 1951:

Hon. A. A. Berle, Jr., former Assistant Secretary of State.
Mr. Louis Lipsky, Chairman, American Zionist Council.
Dr. Joseph J. Schwartz, United Jewish Appeal.
Dr. Robert Nathan, American Zionist Council.
Mr. Andrew E. Rice, American Veterans Committee.

July 20, 1951:

Mr. Richard B. Frost, Detroit Board of Commerce.

July 23, 1951:

Mrs. Allen C. G. Mitchell, League of Women Voters of the United States.
Mr. John C. Lynn, associate director, Washington office, American Farm Bureau Federation.
Rev. Thomas B. Keehn, legislative representative, Council for Social Action, Congregational Christian Churches.

July 24, 1951:

Mr. Richard F. Harless, Atlantic Union Committee.
Mr. J. T. Sanders, the National Grange.
Mr. John Brophy, CIO.
Mr. Clarence K. Streit, Washington, D. C.
Mr. F. L. Hankins, Jr., National Student YMCA and YWCA.

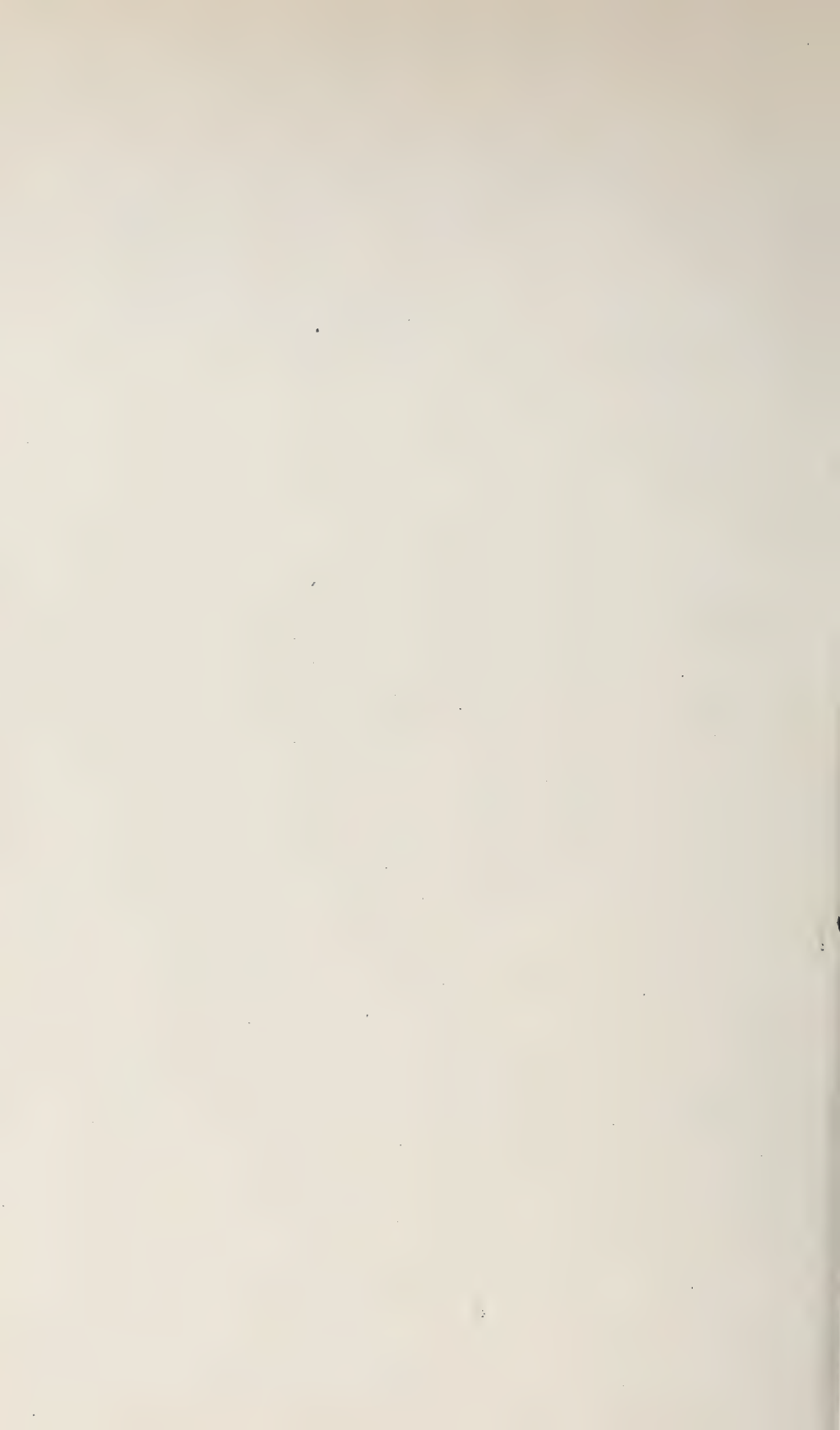
July 25, 1951:

Mr. John A. Baker, legislative secretary, National Farmers Union.
Mr. Boris Shishkin, economist, American Federation of Labor.

July 26, 1951:

Mr. Dudley B. Bonsal, Association of the Bar of the City of New York.
Mr. Clarence Pickett, American Friends Service Committee of Philadelphia.
Dr. Walter W. Van Kirk, National Council of the Churches of Christ in the United States.
Msgr. Thomas J. McMahon, Catholic Near East Welfare Association.





82ND CONGRESS
1ST SESSION

H. R. 5113

[Report No. 872]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 10, 1951

Mr. RICHARDS introduced the following bill; which was referred to the Committee on Foreign Affairs

AUGUST 14, 1951

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Mutual Security Act of
4 1951".

5 SEC. 2. The Congress declares it to be the purpose of
6 this Act to maintain the security and to promote the foreign
7 policy of the United States by authorizing military, economic,
8 and technical assistance to friendly countries to strengthen
9 the mutual security and individual and collective defenses of

1 the free world, to develop their resources in the interest of
2 their security and independence and the national interest
3 of the United States and to facilitate the effective participa-
4 tion of those countries in the United Nations system for col-
5 lective security. The purposes of the Mutual Defense Assist-
6 ance Act of 1949, as amended (22 U. S. C. 1571-1604),
7 the Economic Cooperation Act of 1948, as amended (22
8 U. S. C. 1501-1522), and the Act for International De-
9 velopment (22 U. S. C. 1557) shall hereafter be deemed
10 to include this purpose.

11 TITLE I—EUROPE

12 SEC. 101. (a) In order to support the freedom of Europe
13 through assistance which will further the carrying out of the
14 plans for defense of the North Atlantic area, while at the
15 same time maintaining the economic stability of the countries
16 of the area so that they may meet their responsibilities for
17 defense, and to further encourage the economic unification and
18 the political federation of Europe, there are hereby authorized
19 to be appropriated to the President for the fiscal year 1952
20 for carrying out the provisions and accomplishing the policies
21 and purpose of this Act—

22 (1) not to exceed \$5,028,000,000 for assistance
23 pursuant to the provisions of the Mutual Defense
24 Assistance Act of 1949, as amended (22 U. S. C.
25 1571-1604), for countries which are parties to the

1 North Atlantic Treaty and for any country of Europe
2 (other than a country covered by another title of this
3 Act), which the President determines to be of direct
4 importance to the defense of the North Atlantic area
5 and whose increased ability to defend itself the Presi-
6 dent determines is important to the preservation of the
7 peace and security of the North Atlantic area and to
8 the security of the United States. In addition, unex-
9 pended balances of appropriations heretofore made for
10 carrying out the purposes of the Mutual Defense Assist-
11 ance Act of 1949, as amended, through assistance
12 to any of the countries covered by this paragraph are
13 hereby authorized to be continued available through
14 June 30, 1952, and to be consolidated with the appro-
15 priation authorized by this paragraph.

16 (2) not to exceed \$1,335,000,000 for assistance
17 pursuant to the provisions of the Economic Coopera-
18 tion Act of 1948, as amended (22 U. S. C. 1501-1522)
19 (including assistance to further European military pro-
20 duction), for any country of Europe covered by para-
21 graph (1) of this subsection and for any other country
22 covered by section 103 (a) of the said Economic Co-
23 operation Act of 1948, as amended. In addition, un-
24 expended balances of appropriations heretofore made
25 for carrying out the purposes of the Economic Coopera-

tion Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this subsection: *Provided*, That not to exceed \$30,000,000 of the funds made available pursuant to this subsection may be utilized to effectuate the purposes of section 115 (e) of the Economic Cooperation Act of 1948, as amended.

(b) Not to exceed 5 per centum of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purposes of this Act, between appropriations granted pursuant to either paragraph of subsection (a): *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.

TITLE II—NEAR EAST AND AFRICA

SEC. 201. In order to further the purpose of this Act by continuing to provide military assistance to

1 Greece, Turkey, and Iran, there are hereby authorized
2 to be appropriated to the President for the fiscal year
3 1952, not to exceed \$415,000,000 for furnishing assistance
4 to Greece and Turkey pursuant to the provisions of the Act
5 of May 22, 1947, as amended (22 U. S. C. 1401-1410),
6 and for furnishing assistance to Iran pursuant to the pro-
7 visions of the Mutual Defense Assistance Act of 1949, as
8 amended (22 U. S. C. 1571-1604). In addition, un-
9 expended balances of appropriations heretofore made for
10 assistance to Greece and Turkey, available for the fiscal
11 year 1951, pursuant to the Act of May 22, 1947, as amended,
12 and for assistance to Iran pursuant to the Mutual Defense
13 Assistance Act of 1949, as amended, are hereby authorized
14 to be continued available through June 30, 1952, and to be
15 consolidated with the appropriation authorized by this
16 section.

17 SEC. 202. Whenever the President determines that such
18 action is essential for the purpose of this Act, he may provide
19 assistance, pursuant to the provisions of the Mutual Defense
20 Assistance Act of 1949, as amended, to any country of the
21 Near East area (other than those covered by section 201)
22 and may utilize not to exceed 10 per centum of the amount
23 made available (excluding balances of prior appropriations
24 continued available) pursuant to section 201 of this Act:
25 *Provided*, That any such assistance may be furnished only

1 upon determination by the President that (1) the strategic
2 location of the recipient country makes it of direct importance
3 to the defense of the Near East area, (2) such assistance is
4 of critical importance to the defense of the free nations, and
5 (3) the immediately increased ability of the recipient country
6 to defend itself is important to the preservation of the peace
7 and security of the area and to the security of the United
8 States.

9 SEC. 203. In order to further the purpose of this Act in
10 Africa and the Near East, there are hereby authorized to be
11 appropriated to the President, for the fiscal year 1952, not
12 to exceed \$175,000,000 for economic and technical assistance
13 in Africa and the Near East in areas other than those covered
14 by section 103 (a) of the Economic Cooperation Act of
15 1948, as amended (22 U. S. C. 1502). Funds appropriated
16 pursuant to this section shall be available under the applicable
17 provisions of the Economic Cooperation Act of 1948, as
18 amended (22 U. S. C. 1501-1522), and of the Act for
19 International Development (22 U. S. C. 1557).

20 SEC. 204. Not to exceed \$50,000,000 of the funds
21 authorized under section 203 hereof may be contributed to
22 the United Nations during the fiscal year 1952, for the pur-
23 poses, and under the provisions, of the United Nations
24 Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556):
25 *Provided*, That, whenever the President shall determine

1 that it would more effectively contribute to the purposes of
2 the said United Nations Palestine Refugee Aid Act of 1950,
3 he may allocate any part of such funds to any agency of
4 the United States Government to be utilized in furtherance
5 of the purposes of said Act: *Provided further*, That no
6 amount may be so allocated unless it will be credited by the
7 United Nations as part of the United States contribution to
8 the United Nations Palestine Refugee Agency.

9 SEC. 205. In order to assist in the relief of refugees
10 coming into Israel, not to exceed \$50,000,000 of the funds
11 authorized under section 203 hereof may be utilized during
12 the fiscal year 1952, under such terms and conditions as
13 the President may prescribe, for specific refugee relief and
14 resettlement projects in Israel.

15 TITLE III—ASIA AND PACIFIC

16 SEC. 301. In order to carry out in the general area of
17 China (including the Republic of the Philippines and the
18 Republic of Korea) the provisions of subsection (a) of
19 section 303 of the Mutual Defense Assistance Act of 1949,
20 as amended (22 U. S. C. 1604 (a)), there are hereby
21 authorized to be appropriated to the President for the fiscal
22 year 1952, not to exceed \$530,000,000. In addition, unex-
23 pended balances of appropriations heretofore made for carry-
24 ing out the provisions of title III of the Mutual Defense
25 Assistance Act of 1949, as amended (22 U. S. C. 1602-

1 1604), are hereby authorized to be continued available
2 through June 30, 1952, and to be consolidated with the
3 appropriation authorized by this section. Not to exceed
4 \$50,000,000 of funds appropriated pursuant to this section
5 (excluding balances of appropriations continued available)
6 may be accounted for as provided in subsection (a) of said
7 section 303.

8 SEC. 302. (a) In order to further the purpose of this
9 Act through the strengthening of the area covered in section
10 301 of this Act (but not including the Republic of Korea),
11 there are hereby authorized to be appropriated to the Presi-
12 dent, for the fiscal year 1952, not to exceed \$237,500,000
13 for economic and technical assistance in those portions of
14 such area which the President deems to be not under Com-
15 munist control. Funds appropriated pursuant to authority
16 of this section shall be available under the applicable pro-
17 visions of the Economic Cooperation Act of 1948, as
18 amended, and of the Act for International Development
19 (22 U. S. C. 1557). In addition, unexpended balances of
20 funds heretofore made available for carrying out the purposes
21 of the China Area Aid Act of 1950 (22 U. S. C. 1547), are
22 hereby authorized to be continued available through June
23 30, 1952, and to be consolidated with the appropriation
24 authorized by this section.

25 (b) The third proviso of section 202 of the China Area

1 Aid Act of 1950 is amended by inserting "and of Korea"
2 after "selected citizens of China" each time it appears therein.

3 SEC. 303. (a) In order to provide for the United States
4 contribution to the United Nations Korean Reconstruction
5 Agency, established by the resolution of the General As-
6 sembly of the United Nations of December 1, 1950, there are
7 hereby authorized to be appropriated to the President not to
8 exceed \$11,250,000. In addition, unobligated balances of
9 the appropriations heretofore made, and available during the
10 fiscal year 1951, for assistance to Korea under authority of
11 the Far Eastern Economic Assistance Act of 1950, as
12 amended (22 U. S. C. 1543, 1551, 1552), are hereby
13 authorized to be continued available through June 30, 1952,
14 and to be consolidated with the appropriation authorized by
15 this section.

16 (b) The sums made available pursuant to subsection
17 (a) may be contributed from time to time on behalf of the
18 United States in such amounts as the President determines to
19 be appropriate to support those functions of the United
20 Nations Korean Reconstruction Agency which the military
21 situation in Korea permits the Agency to undertake pursuant
22 to arrangements between the Agency and the United Nations
23 Unified Command. The aggregate amount which may be
24 contributed on behalf of the United States pursuant to the

1 preceding sentence shall be reduced by the value of goods
2 and services made available to Korea by any department
3 or agency of the United States for relief and economic assist-
4 ance after the assumption of responsibility for relief and
5 rehabilitation operations in Korea by the United Nations
6 Korean Reconstruction Agency.

7 (c) The provisions of subsections 304 (a) and (b) of
8 the United Nations Palestine Refugee Aid Act of 1950 (22
9 U. S. C. 1556 (b)) are hereby made applicable with respect
10 to Korean assistance furnished under this section.

11 (d) Unencumbered balances of sums heretofore or here-
12 after deposited in the special account established pursuant
13 to paragraph (2) of article V of the agreement of December
14 10, 1948, between the United States of America and the
15 Republic of Korea (62 Stat., part 3, 3788) shall be used
16 in Korea for such purposes as the President determines
17 to be consistent with United Nations programs for assistance
18 to Korea and as may be agreed to between the Government
19 of the United States and the Republic of Korea.

20 TITLE IV—AMERICAN REPUBLICS

21 SEC. 401. In order to further the purpose of this
22 Act through the furnishing of military assistance to the
23 other American Republics, there are hereby authorized to
24 be appropriated to the President, for the fiscal year 1952,

1 not to exceed \$40,000,000 for carrying out the purposes of
2 this section under the provisions of the Mutual Defense
3 Assistance Act of 1949, as amended: *Provided*, That such
4 assistance may be furnished only in accordance with defense
5 plans which are found by the President to require the re-
6 cipient country to participate in missions important to the
7 defense of the Western Hemisphere. Any such assistance
8 shall be subject to agreements, as provided herein and as
9 required by section 402 of the Mutual Defense Assistance
10 Act of 1949, as amended (22 U. S. C. 1573), designed to
11 assure that the assistance will be used to promote the de-
12 fense of the Western Hemisphere; and after agreement by
13 the Government of the United States and the country con-
14 cerned with respect to such missions, military assistance
15 hereunder shall be furnished only in accordance with such
16 agreement.

17 SEC. 402. In order to further the purpose of this Act
18 among the peoples of the American Republics through the
19 furnishing of technical assistance, there are hereby author-
20 ized to be appropriated to the President, for the fiscal year
21 1952, not to exceed \$22,000,000 for assistance under the
22 provisions of the Act for International Development (22
23 U. S. C. 1557) and of the Institute of Inter-American
24 Affairs Act, as amended (22 U. S. C. 281).

1 TITLE V—ORGANIZATION AND
2 ADMINISTRATION

3 MUTUAL SECURITY ADMINISTRATION

4 SEC. 501. (a) There is hereby established, with its
5 principal office at the seat of the Government, an agency to
6 be known as the Mutual Security Administration, herein-
7 after referred to as the Administration. The Administration
8 shall be headed by a Mutual Security Administrator, here-
9 inafter referred to as the Administrator, who shall be ap-
10 pointed by the President, by and with the advice and con-
11 sent of the Senate, and who shall be responsible to the
12 President. The Administrator shall have a status in the
13 executive branch of the Government comparable to that of
14 the head of an executive department, and shall receive com-
15 pensation at the same rate.

16 (b) There shall be in the Administration a Deputy
17 Mutual Security Administrator who shall be appointed by
18 the President, by and with the advice and consent of the
19 Senate, and shall receive compensation at the same rate as
20 that payable to an Under Secretary of an executive depart-
21 ment. The Deputy Mutual Security Administrator shall
22 perform such functions as the Administrator shall designate,
23 and shall be Acting Mutual Security Administrator during
24 the absence or disability of the Administrator or in the event
25 of a vacancy in the office of Administrator.

1 (c) Officers, employees, agents, and attorneys may be
2 employed by the Administrator for duty within the con-
3 tinental limits of the United States in accordance with the
4 provisions of the civil service laws and the Classification
5 Act of 1949, as amended, except that, of such personnel,
6 not to exceed one hundred may be compensated at rates
7 higher than those provided for grade 15 of the General
8 Schedule established by the Classification Act of 1949, as
9 amended, and of these, not to exceed twenty-five may be
10 compensated at a rate in excess of the highest rate provided
11 for grades of such General Schedule, but not in excess of
12 \$15,000 per annum. Such one hundred positions shall be
13 in addition to the number authorized by section 505 of the
14 Classification Act of 1949, as amended.

15 (d) Persons employed for duty outside the continental
16 limits of the United States and officers and employees of the
17 United States Government assigned for such duty, may
18 receive compensation at any of the rates provided for the
19 Foreign Service Reserve and Staff by the Foreign Service
20 Act of 1946 (22 U. S. C. 801-1158), as amended, may
21 receive allowances and benefits not in excess of those estab-
22 lished thereunder, and may be appointed to any class in the
23 Foreign Service Reserve or Staff in accordance with the
24 provisions of such Act, and assigned to duties for the
25 Administrator.

1 (e) Alien clerks and employees employed for the pur-
2 pose of performing functions under this Act shall be em-
3 ployed in accordance with the provisions of the Foreign
4 Service Act of 1946, as amended.

5 (f) Whenever the President determines it to be con-
6 sistent with and in furtherance of the purpose of this Act,
7 the head of any Government agency is authorized to—

8 (1) detail or assign any officer or employee of his
9 agency to any office or position to which no compensa-
10 tion is attached with any foreign government or foreign
11 government agency: *Provided*, That such acceptance of
12 office shall in no case involve the taking of an oath of
13 allegiance to another government; and

14 (2) detail, assign, or otherwise make available to
15 any international organization in which the United States
16 participates, any officer or employee of his agency to
17 serve with or as a member of the international staff of
18 such organizations.

19 Any such officer or employee, while so assigned or detailed,
20 shall be considered, for the purpose of preserving his privi-
21 leges, rights, seniority, or other benefits as such, an officer
22 or employee of the Government of the United States and
23 of the Government agency from which assigned or detailed,
24 and he shall continue to receive compensation, allowances,

1 and benefits from funds made available to that agency out
2 of funds authorized under this Act.

3 (g) Experts and consultants or organizations thereof
4 may be employed as authorized by section 15 of the Act of
5 August 2, 1946 (5 U. S. C. 55a), and individuals so em-
6 ployed may be compensated at a rate not in excess of \$50
7 per diem.

8 (h) No citizen or resident of the United States may be
9 employed, or if already employed, may be assigned to duties
10 by the Administrator or the Secretary of State under this
11 Act for a period to exceed three months unless (1) such
12 individual has been investigated as to loyalty and security
13 by the Federal Bureau of Investigation and a report thereon
14 has been made to the Administrator and the Secretary of
15 State, and until the Administrator or the Secretary of State
16 has certified in writing (and filed copies thereof with the
17 Senate Committee on Foreign Relations and the House Com-
18 mittee on Foreign Affairs) that, after full consideration of
19 such report, he believes such individual is loyal to the United
20 States, its Constitution, and form of government, and is not
21 now and has never been a member of any organization advo-
22 cating contrary views; or (2) such individual has been
23 investigated by a military intelligence agency and the Sec-
24 retary of Defense has certified in writing that he believes

1 such individual is loyal to the United States and filed copies
2 thereof with the Senate Committee on Foreign Relations
3 and the House Committee on Foreign Affairs. This subsec-
4 tion shall not apply in the case of any officer appointed by
5 the President by and with the advice and consent of the
6 Senate, nor shall it apply in the case of any officer or em-
7 ployee previously investigated and certified.

8 GENERAL FUNCTIONS OF ADMINISTRATOR

9 SEC. 502. (a) Except as otherwise provided in this
10 Act, there shall be transferred to the Administrator the
11 powers and functions conferred upon—

12 (1) the Administrator for Economic Cooperation by
13 the Economic Cooperation Act of 1948, as amended,
14 and the Far Eastern Economic Assistance Act of 1950,
15 as amended;

16 (2) the Secretary of State under the Institute of
17 Inter-American Affairs Act; and

18 (3) the President by the Mutual Defense Assistance
19 Act of 1949, as amended, the Act for International
20 Development, and the Act of May 22, 1947, as amended,
21 except the power to conclude international agreements,
22 the power to make appointments by and with the advice
23 and consent of the Senate, such other powers as the
24 President may reserve to himself or delegate to the
25 Secretary of Defense, and the powers enumerated in

1 section 408 (c) of the Mutual Defense Assistance Act
2 of 1949, as amended.

3 (b) The following agencies and offices shall cease to
4 exist:

5 (1) The Economic Cooperation Administration and the
6 offices of Administrator and Deputy Administrator for Eco-
7 nomic Cooperation;

8 (2) The office of United States Special Representative
9 in Europe and of Deputy United States Special Representa-
10 tive in Europe created by the Economic Cooperation Act of
11 1948, as amended;

12 (3) The office created by section 413 (a) of the Act for
13 International Development;

14 (4) The offices created by section 406 (e) of the Mutual
15 Defense Assistance Act of 1949, as amended.

16 (c) Any personnel, upon the certification of the Ad-
17 ministrator and with the approval of the Director of the
18 Bureau of the Budget that such personnel are necessary to
19 carry out the functions of the Administrator, and all records
20 and property which the Director of the Bureau of the Budget
21 determines are used primarily in the administration of the
22 powers and functions transferred to the Administrator by this
23 Act, shall be transferred to the Mutual Security Admin-
24 istration.

1 SEC. 503. In order to strengthen and make more effec-
2 tive the conduct of the foreign relations of the United States,
3 and to carry out the purpose of this Act—

4 (a) the Secretary of State, the Administrator, and
5 the Secretary of Defense shall keep each other fully and
6 currently informed on matters, including prospective
7 action, arising within the scope of their respective duties
8 which are pertinent to the duties of the other;

9 (b) whenever the Secretary of State believes that
10 any action, proposed action, or failure to act on the part
11 of the Administrator is inconsistent with the foreign-
12 policy objectives of the United States, he shall consult
13 with the Administrator and, if differences of view are
14 not adjusted by consultation, the matter shall be referred
15 to the President for final decision;

16 (c) whenever the Secretary of Defense believes that
17 any action, proposed action, or failure to act on the
18 part of the Administrator is inconsistent with the military
19 security objectives of the United States, he shall consult
20 with the Administrator and, if differences of view are not
21 adjusted by consultation, the matter shall be referred to
22 the President for final decision; and

23 (d) whenever the Administrator believes that any
24 action, proposed action, or failure to act on the part of
25 the Secretary of State or the Secretary of Defense in

performing functions under this Act, is inconsistent with the purpose and provisions of this Act, he shall consult with the Secretary of State and the Secretary of Defense as appropriate and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

MEMBERSHIP IN OTHER AGENCIES

SEC. 504. (a) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (59 Stat. 512), is amended by striking out "Economic Cooperation Administration" and inserting in lieu thereof "Mutual Security Administration" and by striking out "Administrator for Economic Cooperation" and inserting in lieu thereof "Mutual Security Administrator".

(b) Clause (6) of the fourth paragraph of section 101 (a) of Public Law 253, Eightieth Congress, as amended, is hereby further amended by inserting after "Munitions Board," the following: "the Mutual Security Administrator so long as the Mutual Security Administration shall continue to exist,".

PUBLIC ADVISORY BOARDS

SEC. 505. (a) The Boards provided for by section 107 of the Economic Cooperation Act, as amended, and by section 409 of the Act for International Development shall advise and consult with the Mutual Security Administrator.

1 (b) The Administrator may appoint such other advisory
2 committees as he may determine to be necessary or desirable
3 to effectuate the purpose of this Act.

4 REGIONAL MUTUAL SECURITY REPRESENTATIVES

5 SEC. 506. (a) There shall be a United States Mutual
6 Security Representative in Europe who shall (1) be ap-
7 pointed by the President, by and with the advice and consent
8 of the Senate, (2) be entitled to receive the same compensa-
9 tion and allowances as a chief of mission, class 1, within the
10 meaning of the Act of August 13, 1946 (22 U. S. C. 801-
11 1158), and (3) have the rank of ambassador extraordinary
12 and plenipotentiary. He shall be the representative of the
13 Administrator and receive his instructions from him, and such
14 instructions shall be prepared and transmitted to him in
15 accordance with procedures agreed to among the Adminis-
16 trator, the Secretary of State, and the Secretary of Defense
17 in order to assure appropriate coordination as provided by
18 section 503 of this title. He shall coordinate the activities
19 of the chiefs of such special missions provided for in section
20 507 of this title as may be placed under his jurisdiction by
21 the Administrator. He shall keep the Administrator, the
22 Secretary of State, the Secretary of Defense, the chiefs of the
23 United States diplomatic missions, and the chiefs of the
24 special missions provided for herein fully and currently in-
25 formed concerning his activities. He shall consult with the

1 chiefs of all such missions, who shall give him such coopera-
2 tion as he may require for the performance of his duties
3 under this title.

4 (b) There shall be a Deputy United States Mutual
5 Security Representative in Europe who shall (1) be ap-
6 pointed by the President, by and with the advice and con-
7 sent of the Senate; (2) be entitled to receive the same
8 compensation and allowances as a chief of mission, class 3,
9 within the meaning of the Act of August 13, 1946; and (3)
10 have the rank of ambassador extraordinary and plenipoten-
11 tiary. The Deputy shall perform such functions as the United
12 States Mutual Security Representative in Europe shall des-
13 ignate, and shall be Acting United States Mutual Security
14 Representative in Europe during the absence or disability, or,
15 in the event of a vacancy in the office, of the Representative.

16 (c) The Deputy United States Representative North
17 Atlantic Council and the United States Mutual Security
18 Representative in Europe shall keep each other fully and
19 currently informed concerning their activities.

20 (d) When necessary to carry out the purpose of this
21 Act, the President is authorized to appoint not more than
22 three additional Mutual Security Representatives for other
23 regions in accordance with the applicable provisions of sub-
24 section (a) of this section. Any Mutual Security Repre-

1 tentative appointed pursuant to this section shall be entitled
2 to receive the same rank, compensation, and allowances as
3 the highest ranking chief of any United States diplomatic
4 mission in the region.

5 SPECIAL MUTUAL SECURITY MISSIONS ABROAD

6 SEC. 507. (a) Except as provided in subsection (e)
7 of this section, the Administrator may establish in each coun-
8 try receiving assistance under this Act a special mutual se-
9 curity mission under the direction of a chief who shall be
10 responsible for assuring the performance within such country
11 of operations under this Act. The chief shall be appointed
12 by the Administrator, shall receive his instructions from the
13 Administrator, and shall report to the Administrator on the
14 performance of the duties assigned to him. The chief of the
15 special mission shall take rank immediately after the chief of
16 the United States diplomatic mission in such country; and
17 the chief of the special mission shall be entitled to receive
18 the same compensation and allowances as a chief of mission,
19 class 3, or a chief of mission, class 4, within the meaning
20 of the Act of August 13, 1946, or compensation and allow-
21 ances in accordance with section 501 (d) of this Act, as the
22 Administrator shall determine to be necessary or appropriate.

23 (b) The chief of the special mission shall keep the chief
24 of the United States diplomatic mission fully and currently
25 informed on matters, including prospective action, arising

1 within the scope of the operations of the special mission and
2 the chief of the diplomatic mission shall keep the chief of the
3 special mission fully and currently informed on matters rela-
4 tive to the conduct of the duties of the chief of the special
5 mission. The chief of the United States diplomatic mission
6 will be responsible for assuring that the operations of the
7 special mission are consistent with the foreign-policy objec-
8 tives of the United States in such country, and to that end
9 whenever the chief of the United States diplomatic mission
10 believes that any action, proposed action, or failure to act on
11 the part of the special mission is inconsistent with such
12 foreign-policy objectives, he shall so advise the chief of the
13 special mission and the United States Mutual Security
14 Representative. If differences of view are not adjusted by
15 consultation, the matter shall be referred to the Secretary of
16 State and the Administrator for decision.

17 (c) With the approval of the Secretary of State the
18 Administrator may, if he deems it appropriate, direct that
19 the functions of the chief or deputy chief of the special mission
20 in any country be assumed by the chief of the United States
21 diplomatic mission or any other member of the mission in that
22 country. The member of the mission so designated shall
23 report to the Administrator, and shall receive directions
24 from him, with respect to carrying out functions relating to
25 the purpose of this Act.

1 (d) The Secretary of State shall provide such office
2 space, facilities, and other administrative services for the
3 United States Mutual Security Representatives and their
4 staffs, and for each special mission, as may be agreed between
5 the Secretary of State and the Administrator.

6 (e) With respect to any of the zones of occupation of
7 Germany and of the Free Territory of Trieste, during the
8 period of occupation, the President shall make appropriate
9 administrative arrangements for the conduct of operations
10 under this title, in order to enable the Administrator to carry
11 out his responsibility to assure the accomplishment of the
12 purpose of this Act.

13

ELIGIBILITY FOR ASSISTANCE

14 SEC. 508. (a) No military, economic, or technical as-
15 sistance (other than assistance provided under section 408
16 (e) of the Mutual Defense Assistance Act of 1949, as
17 amended) shall be supplied to any nation in order to further
18 military effort unless the Administrator finds that the supply-
19 ing of such assistance will strengthen the security of the
20 United States and unless the recipient country has agreed to
21 join in promoting and maintaining world peace and to take
22 such action as may be mutually agreed upon to eliminate
23 causes of international tension. Such agreements shall in-
24 clude appropriate provisions for such country to—

25

(1) fulfill the military obligations which it has as-

sumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(2) make, consistent with its political stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world; and

(3) adopt all reasonable military, economic, and security measures which may be needed to develop its defense capacities and to insure the effective utilization of the economic and military assistance provided by the United States.

(b) No economic or technical assistance shall be supplied to any other nation unless the Administrator finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

RESPONSIBILITIES OF SECRETARY OF DEFENSE

SEC. 509. In the case of aid under this Act for military items and related technical assistance and advice, the Secretary of Defense shall procure and furnish such military

1 items and related technical assistance and advice: *Provided*,
2 That the Secretary of Defense, after consultation with the
3 Joint Chiefs of Staff and the Administrator, shall determine
4 the priority in which military items shall be allocated. Not-
5 withstanding any other provision of law, during the fiscal
6 year 1952 the Secretary of Defense may furnish (with or
7 without reimbursement from the President) all or part of
8 such military items out of the materials of war whose pro-
9 duction in the United States shall have been authorized for,
10 and appropriated to, the Department of Defense: *Provided*,
11 *however*, That nothing in this Act shall authorize the furnish-
12 ing of military items under this section in excess of 11 per
13 centum of the aggregate dollar value of the materials of war
14 whose production in the United States shall have been
15 authorized for, and appropriated to, the Department of De-
16 fense for the three-year period beginning July 1, 1950.
17 For the purposes of this section, (1) "value" shall be deter-
18 mined in accordance with section 402 (c) of the Mutual
19 Defense Assistance Act of 1949, and (2) the term "mate-
20 rials of war" means those goods, commonly known as mili-
21 tary items, which are required for the performance of their
22 missions by armed forces of a nation, including weapons,
23 military vehicles, ships of war under fifteen hundred tons,
24 aircraft, military communications equipment, ammunition,
25 maintenance parts and spares, and military hardware.

TERMINATION OF ASSISTANCE

1
2 SEC. 510. (a) After June 30, 1954, or after the date
3 of the passage of a concurrent resolution by the two Houses
4 of Congress before such date, none of the authority conferred
5 on the Administrator by this Act may be exercised; except
6 that during the twelve months following such date commodi-
7 ties and services with respect to which the Administrator
8 had, prior to such date, authorized procurement for, ship-
9 ment to, or delivery in a participating country, may be trans-
10 ferred to such country, and funds appropriated under au-
11 thority of this Act may be obligated during such twelve-
12 month period for the necessary expenses of procurement,
13 shipment, delivery, and other activities essential to such
14 transfer and shall remain available during such period for
15 the necessary expenses of liquidating operations under this
16 Act: *Provided*, That nothing in this Act shall be deemed to
17 extend the period during which any powers under the Eco-
18 nomic Cooperation Act of 1948, as amended, may be exer-
19 cised beyond the date specified for its termination by section
20 122 of that Act.

21 (b) At such time as the President shall find appro-
22 priate after such date, and prior to the expiration of the
23 twelve months following such date, the powers, duties, and
24 authority of the Administrator under this Act may be trans-
25 ferred to such other departments, agencies, or establishments

1 of the Government as the President shall specify, and the
2 relevant funds, records, and personnel of the Administration
3 may be transferred to the departments, agencies, or estab-
4 lishments to which the related functions are transferred.

5 TERMINATION OF ASSISTANCE BY PRESIDENT

6 SEC. 511. If the President determines that the furnish-
7 ing of assistance to any nation—

8 (1) is no longer consistent with the national interest
9 or security of the United States or the policies and pur-
10 pose of this Act; or

11 (2) would contravene a decision of the Security
12 Council of the United Nations; or

13 (3) would be inconsistent with the principle that
14 members of the United Nations should refrain from giv-
15 ing assistance to any nation against which the Security
16 Council or the General Assembly has recommended
17 measures in case of a threat to, or breach of, the peace,
18 or act of aggression,

19 he shall terminate all or part of any assistance furnished pur-
20 suant to this Act. The function conferred herein shall be in
21 addition to all other functions heretofore conferred with re-
22 spect to the termination of military, economic, or technical
23 assistance.

EFFECTIVE DATE

SEC. 512. All provisions of this Act except subsections (a), (b), and (c) of section 502, and sections 615, 617 (3), and 618, shall take effect upon the date of its enactment. Subsections (a), (b), and (c) of section 502, and sections 615, 617 (3), and 618 shall take effect on such date, not more than sixty days after the date the Administrator first appointed takes office, as the President shall prescribe.

THE SECRETARY OF STATE

SEC. 513. Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

TITLE VI—GENERAL PROVISIONS

SEC. 601. In order to carry out the purpose of this Act, with respect to those countries eligible to receive assistance as provided herein, funds shall be available as authorized and appropriated to the President each fiscal year.

SEC. 602. Whenever the President determines it to be necessary for the purpose of this Act, not to exceed 10 per centum of the funds made available under any title of this Act may be transferred to and consolidated with funds made available under any other title of this Act in order to furnish, to a different area, assistance of the kind

1 for which such funds were available before transfer. When-
2 ever the President makes any such determination, he shall
3 forthwith notify the Committee on Foreign Relations of
4 the Senate and the Committee on Foreign Affairs of the
5 House of Representatives. In the case of the transfer of
6 funds available for military purposes, he shall also forthwith
7 notify the Committees on Armed Services of the Senate and
8 House of Representatives.

9 SEC. 603. In order to promote the increased production,
10 in areas covered by this Act, of materials in which the
11 United States is deficient, there are hereby authorized to
12 be appropriated to the President for the fiscal year 1952
13 not to exceed \$55,000,000 to be used pursuant to the author-
14 ity contained in the Economic Cooperation Act of 1948, as
15 amended (22 U. S. C. 1501-1522).

16 SEC. 604. The Administrator shall require all countries
17 participating in any United States aid program or in any
18 international organization receiving United States aid to so
19 deposit, segregate, or assure title to all funds or property
20 allocated to or derived from any program so that the same
21 shall not be subject to garnishment, attachment, seizure, or
22 other legal process by any person, firm, agency, corporation,
23 organization, or government.

24 SEC. 605. (a) In order to bring about the availability
25 of international resources to further the purpose of this Act

1 and to reduce requirements for assistance under this Act,
2 the Administrator shall ascertain through the National Ad-
3 visory Council on International Monetary and Financial
4 Problems whether there can be established, and to make
5 recommendations to the Congress on the establishment of,
6 organizations or corporations affiliated with the International
7 Bank for Reconstruction and Development to assist in financ-
8 ing, where adequate financing is not otherwise available on
9 reasonable terms, essential public works and productive enter-
10 prises in economically underdeveloped areas.

11 (b) The Administrator is requested to recommend to the
12 Congress such action as will in his judgment be desirable
13 to eliminate the barriers to, and provide incentives for, a
14 steadily increased participation of private enterprise in de-
15 veloping the resources of foreign countries consistent with
16 the policies of this Act. The Secretary of State is requested
17 to undertake, after consultation with the Administrator and
18 the Secretary of the Treasury, negotiations with the repre-
19 sentatives of foreign governments looking to the early removal
20 of such obstacles and barriers as now exist to the maximum
21 participation of private enterprise in such development.

22 SEC. 606. (a) As used in this section—

23 (1) the term “invention” means an invention or
24 discovery covered by a patent issued by the United
25 States, and

1 (2) the term "information" means information
2 originated by or peculiarly within the knowledge of the
3 owner thereof and those in privity with him, which is
4 not available to the public and is subject to protection
5 as property under recognized legal principles.

6 (b) Whenever, in connection with the furnishing of
7 military assistance in furtherance of the purpose of this
8 Act—

9 (1) use within the United States, without authori-
10 zation by the owner, shall be made of an invention, or

11 (2) damage to the owner shall result from the dis-
12 closure of information by reason of acts of the United
13 States or its officers or employees,

14 the exclusive remedy of the owner of such invention or
15 information shall be by suit against the United States in the
16 Court of Claims for reasonable and entire compensation for
17 unauthorized use or disclosure. In any such suit the United
18 States may avail itself of any and all defenses, general or
19 special, that might be pleaded by any defendant in a like
20 action.

21 (c) Before such suit against the United States has been
22 instituted, the head of the appropriate department or agency
23 of the Government, which has furnished military assistance
24 in furtherance of the purpose of this Act, is authorized and
25 empowered to enter into an agreement with the claimant,

1 in full settlement and compromise of any claim against the
2 United States hereunder.

3 (d) This section shall not confer a right of action on
4 anyone or his successor or assignee who, when he makes
5 such a claim, is in the employment or service of the United
6 States, or who, while in the employment or service of the
7 United States, discovered, invented, or developed any inven-
8 tion or information on which such claim is based.

9 (e) Except as otherwise provided by law, no recovery
10 shall be had for any infringement of a patent committed
11 more than six years prior to the filing of the complaint or
12 counterclaim for infringement in the action, except that the
13 period between the date of receipt by the Government of a
14 written claim under subsection (c) above for compensa-
15 tion for infringement of a patent and the date of mailing by
16 the Government of a notice to the claimant that his claim
17 has been denied shall not be counted as part of the six years,
18 unless suit is brought before the last-mentioned date.

19 SEC. 607. Notwithstanding any of the provisions of the
20 Defense Production Act of 1950, as amended—

21 (1) The Administrator shall have responsibility for
22 representing, before the authorities in the executive
23 branch of the Government charged with the administra-
24 tion of title I of such Act, the needs of all countries
25 receiving assistance under this Act, and of such other

1 countries as the President may direct, for United States
2 materials and facilities.

3 (2) Whenever allocations under such Act of United
4 States materials and facilities for foreign countries re-
5 ceiving assistance under this Act, and for foreign assist-
6 ance programs in such countries, are made on an over-
7 all, and not on a country-by-country, basis, the Adminis-
8 trator shall have the authority and responsibility of
9 apportioning, among such countries, the United States
10 materials and facilities so allocated.

11 SEC. 608. The President, from time to time while funds
12 appropriated for the purpose of this Act continue to be
13 available for obligation, shall transmit to the Congress, in
14 lieu of any reports otherwise required by law, reports cover-
15 ing each six months of operations in furtherance of the pur-
16 pose of this Act, except information the disclosure of which
17 he deems incompatible with the security of the United States.
18 The first such report shall cover the six-month period com-
19 mencing on the date this Act becomes effective. Reports
20 provided for under this section shall be transmitted to the
21 Secretary of the Senate or the Clerk of the House of Repre-
22 sentatives, as the case may be, if the Senate or the House of
23 Representatives, as the case may be, is not in session.

24 SEC. 609. (a) Upon a determination by the Admin-
25 istrator that it will further the purpose of this Act, not to

1 exceed \$10,000,000 of the funds made available pursuant
2 to section 203 of this Act and not to exceed \$25,000,000
3 of funds made available pursuant to section 302 of this Act
4 may be advanced to countries covered by said sections in
5 return for equivalent amounts of the currency of such coun-
6 tries being made available to meet local currency needs of
7 the aid programs in such countries pursuant to agreements
8 made in advance with the United States: *Provided*, That
9 except when otherwise prescribed by the Administrator
10 as necessary to the effective accomplishment of the aid pro-
11 grams in such countries, all funds so advanced shall be held
12 under procedures set out in such agreements until used to pay
13 for goods and services approved by the United States or
14 until repaid to the United States for reimbursement to the
15 appropriation from which drawn.

16 (b) In order to assist in carrying out the provisions of
17 the Economic Cooperation Act of 1948, as amended, not
18 to exceed \$50,000,000 of funds made available under the
19 authority of this Act for assistance pursuant to the pro-
20 visions of the Economic Cooperation Act of 1948, as
21 amended (22 U. S. C. 1501-1522), may be used to acquire
22 local currency for the purpose of increasing the production
23 of materials in which the United States is deficient.

24 SEC. 610. Funds realized from the sales of notes pur-
25 suant to section 111 (c) (2) of the Economic Cooperation

1 Act of 1948, as amended, shall be available for making
2 guaranties of investments in accordance with the applicable
3 provisions of sections 111 (b) (3) and 111 (c) (2) of the
4 Economic Cooperation Act, as amended, in any area in
5 which assistance is authorized by this or any other Act to
6 be furnished under any provision of the Economic Coopera-
7 tion Act of 1948, as amended.

8 SEC. 611. Funds made available for carrying out the
9 provisions of title I of this Act shall be available for the
10 administrative expenses of carrying out the purposes of all
11 of the titles of this Act, including expenses incident to United
12 States participation in international security organizations
13 and expenses in the United States in connection with pro-
14 grams authorized under the Act for International Develop-
15 ment. Any currency of any nation received by the United
16 States for its own use in connection with assistance furnished
17 by the United States may be used by any agency of the
18 Government without reimbursement from any appropriation
19 for the administrative and operating expenses of carrying out
20 the purpose of this Act. Funds made available for carrying
21 out the purpose of this Act in the Federal Republic of Ger-
22 many may, as authorized in subsection 114 (h) of the
23 Economic Cooperation Act of 1948, as amended (22 U. S. C.
24 1512 (h)), be transferred by the President to any depart-
25 ment or agency for the expenses necessary to meet the

1 responsibilities and obligations of the United States in the
2 Federal Republic of Germany.

3 SEC. 612. The Economic Cooperation Act of 1948, as
4 amended (22 U. S. C. 1501-1522), is hereby amended as
5 follows:

6 (1) In section 111 (c) by adding a new paragraph
7 as follows:

8 “(3) From the funds made available under au-
9 thority of the Mutual Security Act of 1951 for assistance
10 to be provided under the applicable provisions of the
11 Economic Cooperation Act of 1948, as amended (22
12 U. S. C. 1501-1522), not less than 20 per centum shall
13 be provided on credit terms as specified in that Act.”

14 (2) In section 115 (b) (6) by—

15 (A) inserting in the second proviso thereof after
16 “wealth” the following: “for the encouragement of emi-
17 gration pursuant to subsection (e) of this section”;

18 (B) adding in the last clause of the second proviso
19 “and operating” after “administrative”;

20 (C) striking from the last clause of the second
21 proviso “within such country”; and

22 (D) adding at the end thereof the following new
23 sentences: “The Administrator shall exercise the power
24 granted to him by this paragraph to make agreements
25 with respect to the use of the funds deposited in the

1 special accounts of the 'participating countries' (as de-
2 fined in section 103 (a) hereof) in such a manner that
3 the equivalent of not less than \$500,000,000 of such
4 funds shall be used exclusively for military production in
5 such 'participating countries'. The amount to be de-
6 voted from each such special account for such use shall
7 be agreed upon by the Administrator and the country
8 or countries concerned".

9 SEC. 613. (a) Section 402 of the Mutual Defense
10 Assistance Act of 1949, as amended (22 U. S. C. 1573), is
11 hereby amended by striking out the period at the end thereof
12 and inserting in lieu thereof a semicolon and the following:

13 “(e) Guarantees by such eligible nation that it will
14 not undertake any act of aggression against any other
15 state.”

16 (b) Section 408 (e) of the Mutual Defense Assistance
17 Act of 1949, as amended (22 U. S. C. 1580), is hereby
18 amended by adding in the first proviso thereof, after the
19 words “of which it is a part”, the words “or in United
20 Nations collective security arrangements and measures”,
21 and by changing the figure at the end thereof to
22 “\$500,000,000”.

23 SEC. 614. The proviso in the first sentence of section
24 403 (d) of the Mutual Defense Assistance Act of 1949, as
25 amended (22 U. S. C. 1574 (d)), is hereby amended to

1 read as follows: "*Provided*, That after June 30, 1950, such
2 limitation shall be increased by \$250,000,000 and after
3 June 30, 1951, by an additional \$450,000,000".

4 SEC. 615. Section 104, subsections (b) and (c) of sec-
5 tion 105, and sections 108 through 110 of the Economic
6 Cooperation Act of 1948, as amended, are hereby repealed.

7 SEC. 616. (a) In order to effectuate the purpose of sec-
8 tion 136 of the Legislative Reorganization Act of 1946, as
9 amended, the Committee on Foreign Affairs of the House of
10 Representatives is authorized to appoint and, in accordance
11 with the provisions of that Act, fix the compensation of such
12 professional and clerical personnel, in addition to those au-
13 thorized by existing law, as may be necessary to enable the
14 committee to oversee the performance by the executive agen-
15 cies concerned of their duties, responsibilities, and functions
16 under this Act in the interest of an efficient and economical
17 administration of this Act.

18 (b) There are hereby authorized to be appropriated
19 such sums as may be necessary to carry out the provisions
20 of this section, to be disbursed by the Clerk of the House of
21 Representatives on vouchers signed by the chairman.

22 (c) In every country where local currency is made
23 available for local currency expenses of the United States in
24 connection with assistance furnished by the United States,
25 the local currency administrative and operating expenses

1 incurred in fulfilling the purpose of this section shall be
2 charged to such local currency funds to the extent available.

3 SEC. 617. The Act for International Development is
4 amended as follows:

5 (1) By adding before the period at the end of section
6 404 (b) the following: “: *Provided*, That for the fiscal year
7 ending June 30, 1952, such contributions from funds made
8 available under authority of sections 101 (a) (2), 203, 302,
9 and 402 of the Mutual Security Act of 1951 shall not exceed
10 in the aggregate \$13,000,000, and the use of such contribu-
11 tions shall not be limited to the area covered by the section
12 of the Act from which the funds are drawn”.

13 (2) By adding at the end of section 407 a new para-
14 graph:

15 “(d) Participating countries shall be encouraged to
16 negotiate agreements with the United Nations and its special-
17 ized agencies, or otherwise, to establish fair labor standards
18 of wages and working conditions and management-labor re-
19 lations.”

20 (3) By repealing sections 413 and 414.

21 SEC. 618. The Institute of Inter-American Affairs Act
22 is amended as follows:

23 (1) By striking out “Department of State” wherever it
24 occurs in section 5 and inserting in lieu thereof “Mutual
25 Security Administration”; and

1 (2) By amending section 8 to read as follows:

2 “SEC. 8. The Mutual Security Administrator shall have
3 authority to detail employees of the Mutual Security Admin-
4 istration to the Institute under such circumstances and upon
5 such conditions as he may determine, and the Secretary of
6 State, upon the request of the Mutual Security Administrator,
7 may detail employees of the Department of State to the
8 Institue: *Provided*, That any such employee so detailed shall
9 not lose any privileges, rights, or seniority as an employee
10 of the Government by virtue of such detail.”

[Report No. 872]

A BILL

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

By Mr. RICHARDS

AUGUST 10, 1951

Referred to the Committee on Foreign Affairs

AUGUST 14, 1951

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. McCORMACK and to include therein a broadcast recently made by an outstanding commentator, Earl Godwin, in relation to the late Stephen Early.

Mr. GOLDEN and to include two magazine articles, notwithstanding the fact that the additional cost will be \$191.34.

Mr. BAKEWELL and to include an editorial from the St. Louis Globe-Democrat.

Mr. KERSTEN of Wisconsin in two instances.

Mr. MARTIN of Iowa and to include an article, notwithstanding the fact that the additional cost will be \$847.34.

Mr. STOCKMAN and to include an article on the census enumeration in the Second District of Oregon.

Mrs. ROGERS of Massachusetts in three instances and to include certain letters and petitions.

Mr. OSTERTAG and to include an editorial.

Mr. WOOD of Idaho.

Mr. CANFIELD and to include a newspaper article.

Mr. ANGELL and to include an editorial.

Mr. REAMS and to include an editorial from the Toledo Blade.

Mr. MCGUIRE (at the request of Mr. PRIEST) and to include extraneous matter.

Mr. SIEMINSKI and to include a letter he wrote to the King of Sweden.

Mr. CLEMENTE in five separate instances, in each to include newspaper articles.

Mr. MADDEN and to include an editorial.

Mr. HART and to include a book review.

ENROLLED BILLS SIGNED

Mr. STANLEY, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2736. An act to authorize advances for clothing and equipment to cadets at the Military Academy and the Coast Guard Academy and to midshipmen at the Naval Academy, and for other purposes; and

H. R. 3911. An act to provide appropriate lapel buttons for widows, parents, and next of kin of members of the Armed Forces who lost or lose their lives in the armed services of the United States during World War II or during any subsequent war or period of armed hostilities in which the United States may be engaged.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 684. An act to amend the Bankhead-Jones Farm Tenant Act so as to provide a more effective distribution of mortgage loans insured under title I, to give holders of such mortgage loans preference in the refinancing of loans on a noninsured basis, to adjust the loan limitations governing title II loans, so as to provide more effective assistance to production and subsistence loan borrowers, and for other purposes.

ADJOURNMENT

Mrs. BOSONE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 48 minutes p. m.),

under its previous order, the House adjourned until tomorrow, Wednesday, August 15, 1951, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

715. A letter from the Acting Administrator, General Services Administration, transmitting a draft of legislation entitled "A bill to provide for adjustment in the compensation of certain employees transferred to the General Services Administration from the Post Office Department pursuant to Reorganization Plan No. 18 effective July 1, 1950"; to the Committee on Post Office and Civil Service.

716. A letter from the Acting Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to authorize the Secretary of Commerce to appoint special policemen for duty upon certain Federal property under the control of the Secretary of Commerce"; to the Committee on Interstate and Foreign Commerce.

717. A letter from the Acting Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to improve the administration of the public lands under the Taylor Grazing Act"; to the Committee on Interior and Insular Affairs.

718. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1952 in the amount of \$131,400 for the legislative branch (H. Doc. 226); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce: Senate Joint Resolution 42. Joint resolution consenting to an interstate compact to conserve oil and gas; without amendment (Rept. No. 854). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRISON of Wyoming: Committee on Interior and Insular Affairs. S. 950. An act to amend the act authorizing the segregation and expenditure of trust funds held in joint ownership by the Shoshone and Arapaho Tribes of the Wind River Reservation for the purpose of extending the time in which payments are to be made to members of such tribes under such act, and for other purposes; without amendment (Rept. No. 863). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENTSEN: Committee on Interior and Insular Affairs. H. R. 3937. A bill to amend the act of June 28, 1948 (62 Stat. 1061), to provide for the operation, management, maintenance, and demolition of federally acquired properties following the acquisition of such properties and before the establishment of the Independent National Historical Park, and for other purposes; without amendment (Rept. No. 864). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIVERS: Committee on Armed Services. H. R. 4205. A bill to provide retirement benefits for the Chief of the Dental Division of the Bureau of Medicine and Surgery, and for other purposes; without amendment (Rept. No. 865). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Interior and Insular Affairs. H. R. 4203. A bill to ratify and confirm Act 7 of the Session Laws of Hawaii, 1951, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945; without amendment (Rept. No. 866). Referred to the House Calendar.

Mr. BURLESON: Committee on Foreign Affairs. H. R. 3299. A bill to extend the times for commencing and completing the construction of a free bridge across the Rio Grande at or near Del Rio, Tex.; without amendment (Rept. No. 867). Referred to the House Calendar.

Mrs. BOLTON: Committee on Foreign Affairs. House Joint Resolution 290. Joint Resolution providing for the recognition and endorsement of the World Metallurgical Congress; without amendment (Rept. No. 868). Referred to the House Calendar.

Mr. THOMAS: Committee of conference. H. R. 3880. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1952, and for other purposes; without amendment (Rept. No. 869). Ordered to be printed.

Mr. COX: Committee on Rules. House Resolution 388. Resolution providing for the consideration of H. R. 5113, a bill to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security; without amendment (Rept. No. 870). Referred to the House Calendar.

Mr. FORAND: Committee on Ways and Means. H. R. 5118. A bill to amend the Social Security Act to provide unemployment insurance for Federal civilian employees, and for other purposes; without amendment (Rept. No. 871). Referred to the Committee of the Whole House on the State of the Union.

Mr. RICHARDS: Committee on Foreign Affairs. H. R. 5113. A bill to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security; without amendment (Rept. No. 872). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOODWIN: Committee on the Judiciary. House Resolution 383. Resolution providing for sending to the United States Court of Claims the bill (H. R. 3131) for the relief of Raymond B. Jeffrey; without amendment (Rept. No. 855). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Interior and Insular Affairs. H. R. 4219. A bill authorizing the Secretary of the Interior to issue a patent in fee to Louis W. Milliken; with amendment (Rept. No. 856). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Interior and Insular Affairs. H. R. 4351. A bill authorizing the Secretary of the Interior to issue a patent in fee to Ursula Rutherford Ollinger; without amendment (Rept. No. 857). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Interior and Insular Affairs. H. R. 4352. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mary Rutherford Spearson; without amendment (Rept. No. 858). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Interior and Insular Affairs. S. 818. An act to authorize the sale of certain allotted land on the Crow Reservation, Mont.; without amendment (Rept. No. 859). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Interior and Insular Affairs. S. 1033. An act authorizing the Secretary of the Interior to issue a patent in fee to Lucille Ellen Sanders Groh; without amendment (Rept. No. 860). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Interior and Insular Affairs. S. 1034. An act authorizing the Secretary of the Interior to issue a patent in fee to Julia Jackson Sanders; without amendment (Rept. No. 861). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Interior and Insular Affairs. S. 1036. An act authorizing the Secretary of the Interior to issue a patent in fee to Julia Jackson Sanders; without amendment (Rept. No. 862). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SCRIVNER:

H. R. 5147. A bill for the relief of sufferers of casualty losses, and for other purposes; to the Committee on Ways and Means.

By Mr. SIEMINSKI:

H. R. 5148. A bill to authorize additional funds for the purpose of carrying out the provisions of section 6 of the Defense Highway Act of 1941, as amended; to the Committee on Public Works.

By Mr. SIMPSON of Pennsylvania:

H. R. 5149. A bill granting the consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey concerning a bridge across the Delaware River to provide a connection between the Pennsylvania Turnpike System and the New Jersey Turnpike, and for other purposes; to the Committee on Public Works.

By Mr. HESELTON:

H. R. 5150. A bill to amend the Natural Gas Act, with respect to the duty of the Federal Power Commission to report to Congress regarding the effect and operation of State compacts dealing with the conservation, production, transportation, or distribution of natural gas; to the Committee on Interstate and Foreign Commerce.

By Mr. TOWE:

H. R. 5151. A bill granting the consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey concerning a bridge across the Delaware River to provide a connection between the Pennsylvania Turnpike System and the New Jersey Turnpike, and for other purposes; to the Committee on Public Works.

By Mr. BOLLING:

H. R. 5152. A bill to amend the National Labor Relations Act, as amended, and for other purposes; to the Committee on Education and Labor.

By Mr. COLE of Kansas:

H. R. 5153. A bill to authorize transfer of certain tax collections to the States for use in repairing and rebuilding bridges; to the Committee on Ways and Means.

By Mr. GEORGE:

H. R. 5154. A bill to authorize transfer of certain tax collections to the States for use in repairing and rebuilding bridges; to the Committee on Ways and Means.

By Mr. SCRIVNER:

H. R. 5155. A bill to authorize transfer of certain tax collections to the States for use in repairing and rebuilding bridges; to the Committee on Ways and Means.

By Mr. FLOOD:

H. R. 5157. A bill to reactivate the Mounted Cavalry as a basic branch of the United States Army, and for other purposes; to the Committee on Armed Services.

By Mr. PROUTY:

H. R. 5157. A bill authorizing and directing the Secretary of the Treasury to enter into an agreement with any State, Territory, or possession of the United States, or any political subdivision thereof, to provide that the head of each department or agency of the United States shall comply with the requirements of any statute of such State, Territory, possession, or subdivision, which imposes upon employers generally the duty of withholding sums from the compensation of employees; to the Committee on Ways and Means.

By Mr. REES of Kansas:

H. H. 5158. A bill to authorize transfer of certain tax collections to the States for use in repairing and rebuilding bridges; to the Committee on Ways and Means.

By Mr. BURDICK:

H. J. Res. 315. A bill proposing an amendment to the Constitution of the United States relative to service in the Armed Forces of the United States; to the Committee on the Judiciary.

By Mr. FLOOD:

H. J. Res. 316. A bill designating the 28th day of October in each year as Liberty Day; to the Committee on the Judiciary.

By Mr. COLE of New York:

H. Res. 387. A bill providing for the appointment of two additional staff members, Committee on Armed Services; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. MURDOCK: Memorial of State Legislature of Arizona, accepting the provisions of Public Law 681, Eighty-first Congress of the United States, relating to fish restoration and management projects; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 5159. A bill for the relief of the estate

of Cleo C. Reeves; to the Committee on the Judiciary.

By Mr. DINGELL:

H. R. 5160. A bill for the relief of the Detroit Automobile Insurance Exchange; to the Committee on the Judiciary.

By Mr. DORN:

H. R. 5161. A bill for the relief of Mrs. Robert Keith Powell; to the Committee on the Judiciary.

By Mr. FLOOD:

H. R. 5162. A bill for the relief of Mahmud A. Uthman; to the Committee on the Judiciary.

H. R. 5163. A bill for the relief of Mahammad H. A. M. Abdalla; to the Committee on the Judiciary.

H. R. 5164. A bill for the relief of Ramadan S. Abdalla; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 5165. A bill for the relief of Orsola Jacopelli Leggio; to the Committee on the Judiciary.

By Mr. QUINN:

H. R. 5166. A bill for the relief of Giacomo Giacomelli and Antonina Giacomelli; to the Committee on the Judiciary.

By Mr. STAGGERS:

H. R. 5167. A bill for the relief of Romildo Michele Vanin; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1, of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

390. By Mr. SHORT: Petition of Mr. and Mrs. D. H. Southard and several other citizens of Joplin, Mo., protesting the advertising of alcoholic beverages over the radio, television, and in magazines and newspapers; to the Committee on Interstate and Foreign Commerce.

391. By the SPEAKER: Petition of George F. Rixey, secretary, the Military Chaplains Association of the United States of America, Inc., Washington, D. C., petitioning consideration of their resolution with reference to annual report of the proceedings, including financial report of the Military Chaplains Association of the United States of America, chartered by Public Law 792, Eighty-first Congress; to the Committee on the Judiciary.

392. Also, petition of Russell F. Meyer, secretary, Optimist International, St. Louis, Mo., petitioning consideration of their resolution relative to urging all citizens of the United States and other free nations to demand the highest integrity, fidelity to public trust, and strict adherence to the principles of true democracy in the conduct of the Government; to the Committee on Foreign Affairs.

393. Also, petition of James A. Suffridge, secretary, Retail Clerks International Association, Lafayette, Ind., petitioning consideration of their resolution relative to going on record as requesting that Congress include a universal rent-control law in the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

Reported in disagreement. If changes made by this amendment in annual leave give to the "blue-collar" workers an hourly pay scale lower than that prevailing in the area as paid by private industry for the same or similar type of work, the wage board or administrative authority, having authority to adjust or fix the salaries of such employees, is directed to adjust all rates set by them to place said blue-collar workers on a parity with rates of pay in the area as paid by private industry for the same or similar type of work.

Amendment No. 113—Publicity, propaganda, and other information personnel: Reported in disagreement.

Amendment No. 114—Prohibition against the appointment of personnel and reduction in funds available for personal services: Strikes out the proposal of the Senate, and restores the proposal of the House amended to except certain agencies from its provisions and to include certain personnel and an agency originally excepted; requires the reduction of employment in agencies to 90 per centum of the number on their rolls as of July 1, 1951, instead of 80 per centum as originally provided; and further excepts to a maximum of 2 per centum, personal services where specific limitations are applied in the Act and funds are available within the appropriation or authorization to permit such exception. It is the recommendation of the conferees that savings affected under this provision shall be deposited in the Treasury as miscellaneous receipts.

Amendment No. 115—Appropriations or authorizations for the acquisition of passenger motor vehicles: Strikes out the provision of the Senate in this connection, appropriate reductions having been made by the conferees in the individual items in the bill.

Amendment No. 116—Corrects the section number.

ALBERT THOMAS,
HARRY R. SHEPARD,
GEORGE ANDREWS,
SIDNEY R. YATES,
CLARENCE CANNON,

Managers on the Part of the House.

HOOR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MILITARY SECURITY PROGRAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on the bill (H. R. 5113) the military security program.

The SPEAKER. Is there objection?

There was no objection.

ASSISTANCE TO FRIENDLY NATIONS

Mr. COX, from the Committee on Rules, submitted the following resolution (H. Res. 388) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5113) to maintain the

security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

(Mr. KERSTEN of Wisconsin asked and was given permission to extend his own remarks at this point in the Record.)

WILLIAM RANDOLPH HEARST: GREAT AMERICAN

Mr. KERSTEN of Wisconsin. Mr. Speaker, the death of William Randolph Hearst ends the career of a great American.

He embarked on an all-out fight against communism when it was unpopular to do so and he was vindicated by the unmasking of the worldwide Communist conspiracy.

He gave full support to General MacArthur for the Presidency in 1948 when by reason of absence from the country there was no real chance of the general's nomination, because he saw MacArthur as a symbol of the kind of rare and courageous leadership in matters of state that we have so greatly needed in this time of crisis. He has been vindicated by the disastrous results in the Far East because of lack of that leadership.

It is to be hoped that his sons and associates will carry on in the fight in which Mr. Hearst was so long embattled.

THE LATE WILLIAM RANDOLPH HEARST

(Mr. REECE of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REECE of Tennessee. Mr. Speaker, the death of William Randolph Hearst removes from the American scene one of the great newspaper publishers of all time and one of the great leaders of our country. Eminent as he was in the production of newspapers and magazines, Mr. Hearst also dedicated his life to an advocacy of all things American. He was a patriot to the core and was unrestrained in writing and proclaiming the glories and the triumphs of the American way of life.

From one newspaper on the west coast he built a chain of newspapers which stretched from ocean to ocean and from North to South. As he expanded he discovered and helped bring fame to hundreds of writers, artists, and cartoonists. He had a genius for searching out talent and developing it to the utmost.

Mr. Hearst created many innovations in the newspaper field and in the magazine field. He was a man of great vision as well as keen intellect. He waged many a crusade, as they are called, and

always was in the forefront for better things for the workingman and the underprivileged. His publications were always available for a good cause.

Long before others, Mr. Hearst realized the menace of communism and just what it meant for our country. He was its foe from the beginning and was criticized and abused by the "liberals" of those times. But he never wavered, and how well he has been proven right and true. America will long be in his debt for his crusade against the Communists.

During those busy years of a long and most active life, he served two terms in Congress, the Fifty-eighth and Fifty-ninth. But his heart was always in his newspapers.

William Randolph Hearst occupied a preeminent place in American life. He was a great man, a great publisher, but, above all, a great American.

THE LATE WILLIAM RANDOLPH HEARST

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROGERS of Massachusetts. Today a great humanitarian passed away. William Randolph Hearst, aside from his notable success in the newspaper publishing field, will be remembered primarily and for a longer time for his great philanthropies.

He was an indefatigable worker for what he considered best for our country. He was a leader in advocating a strong national defense, a second-to-none Army, Navy, and Air Force. He always advocated proper care and treatment for disabled veterans and adequate rehabilitation for returned servicemen and women. There has been no more valiant opponent against communism than this great publisher. We have lost a great friend.

The United States can ill afford to lose men of his caliber in these critical days.

GENERAL LEAVE TO EXTEND REMARKS

Mr. JUDD. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the Oatis resolution, just prior to the vote thereon.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AMENDMENTS TO HOUSING BILL

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that amendments pending on the Clerk's desk with reference to the housing bill be printed in the Record.

The SPEAKER. Is there objection?

There was no objection.

(The amendments referred to are as follows:)

Amendment offered by Mr. SPENCE: Page 16, line 4, strike out "of" and insert "or."

Amendment offered by Mr. SPENCE: Page 32, line 7, strike out "equity" and insert "entity."

Amendment offered by Mr. SPENCE: Page 35, lines 7 and 8, strike out "or for school construction or maintenance and operation,"; and lines 9 and 10 strike out "(1) in the case of hospitals,"; and line 13, strike out

beginning with line 13, down through the third comma on line 16; and line 19 insert "or" after the comma; and line 20, strike out "title II of said Public Law 815, or said Public Law 874,"; and page 46, line 3, strike out "education"; and page 47, line 20, strike out "schools,"; and line 25, strike out "education,"; and page 48, strike out lines 19, 20, and 21.

Amendment offered by Mr. SPENCE: Page 56, line 14, after the period insert "The amendment made by this subsection shall be effective as of July 1, 1951."

Amendment offered by Mr. DENTON: Page 53, line 21, after "602.", insert "(a)", and on page 59, after line 3, insert the following new subsection:

"(b) The Defense Production Act of 1950, as amended is further amended by adding after section 605 the following new section: "Sec. 606. Not more than 20 percent down payment shall be required pursuant to section 602 or section 605 of this act in connection with the loan on any home not guaranteed by the Veterans' Administration and the transaction price of which home does not exceed \$12,000 nor more than 10 percent in connection with any such loan on any home the transaction price of which does not exceed \$10,000. The term of any loan referred to in the preceding sentence or in the last proviso of section 605 shall not be required to be less than 25 years."

Amendment offered by Mr. PHILLIPS: On page 59, line 21, after the words "plus 100 per centum of such value," insert the words "Provided further, That in determining the amount of increase in future payments, upon the request of the owner of the land, a reappraisal shall be made, based upon the currently prevailing level of land values throughout the area."

Amendment offered by Mr. SPENCE: Page 66, line 15, and page 67, lines 12 and 15, strike out "July 1" in each instance, and insert "June 30."

Amendment offered by Mr. PHILLIPS: Page 59, after line 25, add a new subsection (d):

"(d) By striking out the words 'is authorized' in section 605, subsection (b) 2, following 'the Administrator' and substituting the word 'shall'."

Amendment offered by Mr. DEANE: On page 63, line 11, after "Sec. 608", insert "(a)" and immediately following line 16 insert the following new subsection:

"(b) Subparagraph (G) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended by adding before the period at the end of said subparagraph the following proviso:

"": Provided, That this subparagraph shall not apply to commitments made by the association on or after the effective date of this proviso and prior to March 1, 1952, which do not exceed \$500,000,000 outstanding at any one time, if such commitments relate to mortgages (1) covering defense housing programed by the Housing and Home Finance Administrator in an area determined by the President or his designee to be a critical defense housing area or (2) with respect to which the Federal Housing Commissioner has issued a commitment to insure pursuant to title VIII of this act, as amended, or (3) covering housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster."

LON WEAVER

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2771) for the relief of Lon Weaver, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, lines 1 and 2, strike out "until the United States District Court for the Northern District of Georgia ordered his release."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

THOMAS A. TRULOVE ET AL.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 745) for the relief of Thomas A. Trulove, postmaster, and Nolen J. Salyards, assistant postmaster, at Inglewood, Calif., together with Senate amendments thereto, disagree to the Senate amendments and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BYRNE of New York, RODINO, and KEATING.

PERSONAL STATEMENT

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent that the Record today indicate in the vote on the Concurrent Resolution 140, relative to William N. Oatis that I would have voted "yea" had I been here, but I was detained by work outside the House.

The SPEAKER. The gentleman may make that statement.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, are there any special orders?

The SPEAKER. Forty-five minutes.

Mrs. ROGERS of Massachusetts. Would those who have the special orders be willing to allow me to proceed for 1 minute?

The SPEAKER. Did not the gentleman proceed for 1 minute a very short time ago?

Mrs. ROGERS of Massachusetts. Yes; but she is asking to proceed for another minute now.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. I thank the Speaker very much.

THE OATIS CASE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to state for the information of the House that I am not at all satisfied with the William N. Oatis resolution that passed. If action is not taken immediately by Czechoslovakia in the release of William N. Oatis I am going to introduce another and even stronger resolution containing some of the Armstrong amendment provisions, and I believe it will pass.

SPECIAL ORDER

The SPEAKER. Under the previous order of the House, the gentleman from

Ohio [Mr. Bow] is recognized for 30 minutes.

COST OF FOREIGN AID

Mr. BOW. Mr. Speaker, within the next few days the House will consider granting additional billions of dollars in foreign aid. I have taken this time today to bring to the attention of Congress and the Nation that our benevolence does not begin at home, but has to a great extent been limited to helping those who do not enjoy the privileges of American citizenship.

Mr. Speaker, the total direct ECA cost in dollars in agricultural production, reclamation, irrigation, transportation, communications, power, waterways, and harbors since the program got under way in 1949, up to and including May 31, 1951, is \$294,349,400. In addition, ERP countries have available in counterpart funds which have been approved for agricultural projects, reclamation, power, roads, and so forth, \$3,961,700,000. In this regard I shall speak today of a dark page in our history.

I think I can convince the membership of the House that our claim of being great humanitarians has an Achilles heel. With all of our great wealth, mortgaged as it is today because of reckless spending, we are guilty of a gross neglect of duty in our treatment of our American Indians. This could be and should be rectified.

The Committee on Interior and Insular Affairs, of which I am a member, under the leadership of our distinguished and beloved chairman, the gentleman from Arizona [Mr. MURDOCK], and the Subcommittee on Indian Affairs, under the leadership of the gentleman from Oklahoma [Mr. MORRIS], is vigorously attempting to find solutions to these problems.

The gentleman from Montana [Mr. D'EWART], ranking minority member of the Indian Affairs Subcommittee, now has before that committee a bill that will go a long way toward the solution of these problems.

Mr. Speaker, it would take but a crumb from the rich man's table to right this wrong—but a small percentage of the money spent in foreign aid would permit us to hold our heads high in the feeling we had recognized the dignity of man rather than keeping our Indians in squalor, serfdom, and broken health.

In the Eighty-second Congress, as of this date, there are pending certain bills which would authorize specific rehabilitation programs for the economic betterment of certain tribes of Indians of the United States. The tribes affected by such bills, and the corresponding dollar authorization are as follows:

Five Civilized Tribes (Oklahoma).....	\$10,000,000
Oglala Sioux (Pine Ridge, S. Dak).....	14,650,000
Standing Rock (North and South Dakota).....	10,000,000
Turtle Mountain Band (North Dakota).....	15,000,000
Seventeen Western Oklahoma Tribes.....	10,000,000
Devils Lake (North Dakota)....	2,000,000
Sisseton-Wahpeton (North and South Dakota).....	1,000,000

search building as proposed by the House instead of \$9,445,000 as proposed by the Senate; strike out the Senate language transferring \$955,000 to this item from prior funds for construction of additional auxiliary structures; appropriate \$350,000 for payment of obligations incurred under prior authority for construction of additional auxiliary structures as proposed by the House instead of \$250,000 as proposed by the Senate; and strike out the Senate language authorizing the Surgeon General to enter into arrangements for the construction by private industry of rental quarters for employees of the National Institutes of Health.

Amendments Nos. 86 and 87: Appropriate \$6,635,540 for purchase and installation of additional equipment, supplies, and furnishings for the research center as proposed by the Senate instead of \$6,640,000 as proposed by the House, and delete the Senate language limiting the amount to be available for personal services.

Amendments Nos. 88 and 89—Commissioned officers, pay and so forth: Appropriate \$1,861,500 as proposed by the Senate instead of \$1,790,000 as proposed by the House, and delete the Senate language limiting the amount to be available for personal services.

Amendment No. 90—Salaries and expenses: Authorizes purchase of not to exceed one passenger motor vehicle for replacement only as proposed by the Senate instead of not to exceed two as proposed by the House.

Amendments Nos. 91 and 92: Appropriate \$2,745,868 for salaries and expenses as proposed by the Senate instead of \$2,850,000 as proposed by the House, and delete the Senate language limiting the amount to be available for personal services.

Saint Elizabeths Hospital

Amendment No. 93—Salaries and expenses: Authorizes purchase of not to exceed one passenger motor vehicle for replacement only as proposed by the Senate instead of not to exceed three as proposed by the House.

Social Security Administration

Amendments Nos. 94 and 95—Salaries and expenses, Bureau of Federal Credit Unions: Appropriate \$175,000 direct appropriation as proposed by the House instead of \$167,650 as proposed by the Senate, and limit the total, including funds to be derived from collection of fees; to be available for personal services to not more than \$626,671 instead of not more than \$614,650 as proposed by the Senate.

Amendment No. 96—Salaries and expenses, Bureau of Old-Age and Survivors Insurance: Authorizes purchase of two passenger motor vehicles as proposed by the Senate instead of four as proposed by the House.

Amendments Nos. 97 and 98: Authorize the expenditure of not more than \$58,000,000 from the Federal old-age and survivors insurance trust fund for salaries and expenses of the Bureau, as proposed by the House, instead of not more than \$57,437,980 as proposed by the Senate, of which not more than \$49,549,400 shall be available for personal services instead of not more than \$48,697,378 as proposed by the Senate.

Amendment No. 99—Grants to States for public assistance: Appropriates \$1,150,000,000 as proposed by the Senate instead of \$1,250,000,000 as proposed by the House.

Amendments Nos. 100 and 101—Salaries and expenses, Bureau of Public Assistance: Appropriate \$1,600,000 as proposed by the Senate instead of \$1,463,400 as proposed by the House, of which not more than \$1,455,400 shall be available for personal services as proposed by the Senate.

Amendments Nos. 102 and 103—Salaries and expenses, Children's Bureau: Appropriate \$1,500,000 as proposed by the Senate instead of \$1,450,000 as proposed by the House, of which not more than \$1,238,900 shall be

available for personal services as proposed by the Senate.

Amendments Nos. 104 and 105—Grants to States for maternal and child welfare: Appropriate \$31,500,000 instead of \$33,000,000 as proposed by the Senate and \$30,000,000 as proposed by the House, and delete the language of the House bill providing for pro rata allotment of the appropriation in proportion to the amounts to which the respective States are entitled by reason of section 331 of the 1950 Amendments to the Social Security Act.

Amendments Nos. 106 and 107—Salaries and expenses, Office of the Commissioner: Appropriate \$200,000 as proposed by the Senate instead of \$219,700 as proposed by the House, and in addition authorize transfer from the Federal old-age and survivors insurance trust fund of not to exceed \$110,300 as proposed by the House instead of not to exceed \$100,000 as proposed by the Senate.

Amendment No. 108—Public assistance program: Strikes out the provision of the Senate prohibiting denial of allocation of Federal funds to any State which has by legislative enactment provided the conditions under which public access may be had to the records of the disbursements of grant-in-aid funds and has otherwise complied with the governing statutory provisions.

The conferees of both Houses are agreed that the appropriate legislative committees of the Congress should consider the subject matter of this amendment.

Office of the Administrator

Amendments Nos. 109 and 110—Salaries, Office of the Administrator: Appropriate \$2,050,000 from general funds as proposed by the House instead of \$2,150,000 as proposed by the Senate, together with transfer from the old-age and survivors insurance trust fund of not to exceed \$403,000 as proposed by the House instead of \$413,000 as proposed by the Senate.

Amendment No. 111—Salaries and expenses, Division of Service Operations: Inserts the Senate provision limiting the amount to be available for personal services to not more than \$402,045.

Amendment No. 112—Salaries, Office of the General Counsel: Appropriates \$896,478 as proposed by the Senate instead of \$412,000 as proposed by the House.

Amendment No. 113—Surplus property disposal: Appropriates \$90,000, instead of \$100,000 as proposed by the House and \$75,000 as proposed by the Senate.

NATIONAL LABOR RELATIONS BOARD

Amendments Nos. 114 and 115—Salaries and expenses: Appropriate \$3,233,959 as proposed by the Senate instead of \$3,000,000 as proposed by the House, of which not more than \$6,622,284 shall be available for personal services as proposed by the Senate.

NATIONAL MEDIATION BOARD

Amendments Nos. 116 and 117—Salaries and expenses: Appropriate \$394,247 as proposed by the Senate instead of \$400,000 as proposed by the House, of which not more than \$299,307 shall be available for personal services as proposed by the Senate.

Amendments Nos. 118 and 119—Arbitration and emergency boards: Appropriate \$144,000 as proposed by the Senate instead of \$150,000 as proposed by the House, of which not more than \$114,000 shall be available for personal services as proposed by the Senate.

Amendment No. 120—Salaries and expenses, National Railroad Adjustment Board: Inserts the Senate language limiting the amount to be available for personal services to not more than \$460,774.

RAILROAD RETIREMENT BOARD

Amendment No. 121—Payment to railroad retirement account: Strikes out the definite annual appropriation inserted by the Sen-

ate and restores the annual indefinite appropriation language of the House bill.

In recommending the annual indefinite form of appropriation, the conferees of both Houses will expect the Bureau of the Budget to withhold from the retirement fund any net overappropriations or overpayments made to the fund from the General Treasury through June 30, 1951.

Amendments Nos. 122 and 123—Salaries and expenses (from trust funds): Authorize \$5,056,904 to be derived from the railroad retirement account for salaries and expenses of the Board as proposed by the Senate instead of \$5,268,000 as proposed by the House, of which not more than \$4,010,820 shall be available for personal service as proposed by the Senate.

FEDERAL MEDIATION AND CONCILIATION SERVICE

Amendments Nos. 124 and 125—Salaries and expenses: Appropriate \$3,047,000 as proposed by the Senate instead of \$2,949,000 as proposed by the House, of which not more than \$2,566,653 shall be available for personal services as proposed by the Senate.

Amendments Nos. 126 and 127—Boards of Inquiry: Appropriate \$43,750 as proposed by the Senate instead of \$50,000 as proposed by the House, of which not more than \$23,750 shall be available for personal services as proposed by the Senate.

GENERAL PROVISIONS

Amendment No. 128—Section 703: Restores the provision of the House bill containing restrictions on the filling of personnel vacancies that may occur during the fiscal year 1952 in positions for which funds are provided by the bill, amended to change the list of exemptions as agreed upon by the conferees, and to provide that when the total number of personnel subject to this provision has been reduced to 90 percent of the total number provided for in the 1952 budget estimates, the restrictions of this provision may cease to apply.

The conferees of both Houses are agreed that the savings which accrue from the operation of the provisions of this section of the bill shall not be diverted to or expended for any other purpose but shall be impounded in the appropriations and other funds and returned to the Treasury, and will expect the agencies concerned to proceed accordingly.

Amendment No. 129—Further reductions in appropriations and authorizations: Makes reductions in various appropriations and authorizations carried in the act as set out in detail in the conference report by appropriation title and amount. The Senate amendment provided that each appropriation or authorization made by the act for any purpose, of which a specified portion was made available for personal services, and each amount so specified for personal services, was reduced by an amount equal to 5 percent of the amount requested for personal services for such purpose in the budget estimates. The conferees have agreed on reductions as provided in the Senate amendment in a number of instances. In most of such instances the amounts of the reductions are listed under this amendment in the conference report. In a few other instances, the amounts which would have been available after application of the reductions provided by the Senate amendment have been incorporated in the amendments of the Senate to the individual appropriation paragraphs involved.

Amendment No. 130: Strikes out the language of the Senate providing that no part of any appropriation contained in the act shall be used to pay the compensation of any civilian employee of the Government whose duties consist of acting as chauffeur or driver of any Government-owned passenger motor vehicle other than a bus or ambulance.

Amendment No. 131—Reduction in number of passenger cars: Reported in disagreement. The conferees of both Houses have agreed that agencies embraced within this act which operate passenger cars at the seat of Government during fiscal year 1952 shall periodically submit to the Committees on Appropriations of the House and Senate and to the General Accounting Office a daily trip record of use of the cars so operated.

Amendment No. 132—Employees engaged in personnel work: Reported in disagreement. The motion which the House managers will offer on this amendment will provide for exemption of the Public Health Service, during 1952, from the personnel ratio limitation agreed upon, in view of special circumstances existing in that Service. It will be expected, however, that the Service and the Agency will on their own take steps to improve the existing ratio before the 1953 budget is considered. At that time, the committees expect to fully examine into the matter as regards the Service with view to determining the proper relationship between total personnel and employees engaged in personnel work.

Amendment No. 133: Corrects a section number.

JOHN E. FOGARTY,
JOHN J. ROONEY,
CHRISTOPHER C. MCGRATH,
WINFIELD K. DENTON,
CLARENCE CANNON,
GEO. B. SCHWABE,

Managers on the Part of the House.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following letter, which was read by the Clerk:

HOUSE OF REPRESENTATIVES,
Washington, D. C., August 15, 1951.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby submit my resignation as a member of the Committee on Veterans' Affairs, effective immediately.

Sincerely yours,

VERA BUCHANAN,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution (H. Res. 392).

The Clerk read as follows:

House Resolution 392

Resolved, That VERA BUCHANAN, of Pennsylvania, be, and she is hereby, elected a member of the standing committee of the House of Representatives on Merchant Marine and Fisheries.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MAINTENANCE OF CANAL AND RAILROAD BRIDGES FROM CAPE MAY HARBOR TO DELAWARE BAY

Mr. HAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4055) to authorize for an additional 2-year period the use of rivers and harbors appropriations for maintenance of the canal from Cape May Harbor to Delaware Bay and the railroad and bridges over such canal.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. RANKIN. Mr. Speaker, reserving the right to object, who is on that committee on this side of the aisle?

Mr. HAND. Mr. Speaker, I may say to the distinguished gentleman from Mississippi that this bill has been approved and cleared by both the majority and minority leadership of the House and the appropriate committee.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There being no objection, the clerk read the bill, as follows:

Be it enacted, etc., That the paragraph relating to the New Jersey Intracoastal Waterway in the first section of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved July 24, 1946 (Public Law 525, 79th Cong.), is amended by striking out "5 years" and inserting in lieu thereof "7 years."

Amend the title so as to read: "A bill to authorize for an additional 1-year period the use of rivers and harbors appropriations for maintenance of the canal from Cape May Harbor to Delaware Bay and the railroad and highway bridges over such canal."

With the following committee amendment:

Page 1, line 9, strike out "seven" and insert "six."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SMALL BUSINESS COMMITTEE

Mr. BURTON. Mr. Speaker, Subcommittee No. 3 of the Small Business Committee has under investigation the production and distribution of steel. I ask unanimous consent that that subcommittee may be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

MUTUAL SECURITY ACT OF 1951

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 388 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed one day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered, as ordered on the bill

and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McCORMACK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: On page 1, line 11, strike out "one day" and insert "four hours."

The amendment was agreed to.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 162]

Albert	Elston	Morrison
Allen, Ill.	Engle	Morton
Allen, La.	Fallon	Murray, Wis.
Andresen	Feighan	O'Konski
August H.	Fisher	Powell
Armstrong	Gamble	Preston
Barrett	Garmatz	Rivers
Beall	Gordon	Sabath
Bennett, Mich.	Gore	Sadlak
Boggs, La.	Gwinn	Saylor
Boykin	Hall	Scott
Breen	Edwin Arthur	Hugh D., Jr.
Brehm	Hays, Ohio	Sheppard
Buckley	Hébert	Smith, Kans.
Buffett	Hedrick	Stockman
Busbey	Hess	Taber
Chatham	Hinshaw	Vinson
Chudoff	Hollifield	Welch
Coudert	Hunter	Werdel
Davis, Tenn.	Jarman	Wheeler
Dawson	Jenison	Whitaker
DeGraffenried	Kearns	Wilson, Tex.
Dingell	McDonough	Winstead
Durham	McGregor	Wood, Ga.
Eberhart	Mason	Yorty
Ellsworth	Miller, N. Y.	

The SPEAKER. On this roll call 356 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUBCOMMITTEE OF THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Intergovernment Relations of the Committee on Expenditures in the Executive Departments may have permission to sit during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MUTUAL SECURITY ACT OF 1951

Mr. COX. Mr. Speaker, House Resolution 388 makes in order the consideration of the Mutual Security Act of 1951 recently reported by the Committee on Foreign Affairs. The rule is an open one, waiving all points of order, and, therefore, Members will have the opportunity to offer such amendments as they may see fit.

I have the feeling, Mr. Speaker, that most of the Members have to an extent made up their minds as to what they are going to do about this bill and I

think the sooner we can get to consideration of the measure the better satisfied the membership will be. For the moment, therefore, I shall not use any more time.

Mr. Speaker, at this time I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, I have just received a cable from Munich announcing that 1,200,000 balloon messages have been sent to the 12,000,000 prisoners of Czechoslovakia—the people of Czechoslovakia. These messages of hope and courage, written in language which these people know and love, forge a continuing bond of friendship between Americans and Czechoslovakia.

The voice of William Oatis may be temporarily silenced—speaking from Czechoslovakia to the free world. But the voices of the free world—speaking to Czechoslovakia—are raised, over a million strong.

My one regret about this well-conceived and splendidly executed project is that it was not conceived and executed through an official agency of the United States Government.

Mr. COX. Mr. Speaker, I yield such time as he may desire to the gentleman from Washington [Mr. MITCHELL].

Mr. MITCHELL. Mr. Speaker, of course, I favor the rule and the legislation it makes in order. To me this legislation is of special import to the wage earner in friendly European nations.

The Europe of 1948—not so very long ago—was writhing in the throes of poverty and destruction. The Continent's economic structure had been shattered for the second time in a generation. Communism, thriving as always upon such conditions, was riding rampant. Indeed, it was threatening momentarily to trample all of Europe under foot.

The chief victim in this economic misery was the European worker. It was no accident that the chief object of Communist political activity was the European working class—particularly in the organized labor movement.

Communist hands were reaching out for a plum ripe to be plucked. Moreover, the safety of the entire free world was menaced if Europe could not be, once again, a strong and healthy member of democratic society.

But 1948 also marked the year that the Marshall plan came to the Continent with a program aimed at putting the European economy back on its feet.

Since that time Communist expansion throughout Europe has been halted and communism is now on the defensive.

The Marshall plan has always recognized that in order to make Europe strong enough to survive, European labor must have decent standards of living and a way of life that is worth defending. While the standards are not nearly as high as they should be, the economic plight of the workers of Europe would be drastically worse today but for the Marshall plan.

The success of the recovery program depends upon the European worker because, first, four-fifths of the goods that Europe needs to export in order to balance its dollar accounts must be the products of industrial labor. Secondly, industrial labor's cooperation is essential for the increased production vital to the Western World's defense effort. Finally, this segment of Europe's population is a critical factor in the ideological war now being waged against imperialistic communism.

Today, despite every means of propaganda that the Communist can muster, the majority of European workers are solidly behind the Marshall plan. The free trade-union organizations are in fact the most powerful single force in Europe working for economic recovery and the preservation of democracy against totalitarian encroachment.

Since the advent of the Marshall plan, employment has risen in 7 of 10 major countries receiving American economic assistance. These countries are Denmark, France, Germany, Holland, Norway, Sweden, and the United Kingdom. Using 1948 as a base, the rise in employment totals has ranged from a 3-percent increase in Sweden to 20 percent in Germany. The increase was 6 percent in France, 8 percent in the United Kingdom, and 7 percent in Holland. Both Norway and Denmark have reported employment increases of 11 percent. In shattered Austria and Italy, the line has been held, in itself a fine achievement. Only in Belgium has there been a drop in employment figures.

Taking Europe as a whole, there are approximately 4,000,000 more people working since 1948. This represents a percentage gain of about 3.2 percent since the recovery program was initiated.

Immediately following the Second World War, the real earnings of most European workers fell to incredibly low depths. With the coming of Marshall aid, this trend was reversed and the real earnings of the workers began to make the long climb back. Basic conditions in the various countries, of course, differed widely.

Since the inception of the Marshall plan in 1948 to the present time, real earnings in Denmark have gone up 6.7 percent. Belgium, Holland, and Sweden realized about the same increase, while in Norway workers' real earnings rose 3.8 percent. Austrian workers have experienced a 13.8-percent rise from the 1948 low. In France, real earnings have begun to mount again—3.7 percent for the married worker and 3.9 percent for the single worker. In Italy, the over-all increase has been 6.4 percent. Western Germany has seen the most spectacular rise—41.4 percent. The United Kingdom's gain of 38 percent, by the time Marshall aid began to arrive, has been held stable despite the heavy inroads of rearmament on the country's strained economy. Only in Holland, due to local conditions, has there been a drop in the real-wage earnings.

Despite this tremendous recovery, the job is not yet finished. The havoc wreaked by World War II was such that

even with this come-back record, worker living standards, especially in Austria, France, Italy, and Western Germany are still below those existing in the pre-war year of 1938.

This is because, in a great many areas of Europe, conditions could not have been worse when the Marshall plan began. The trend of real earning power has been turned upward since the arrival of American economic assistance.

But still, in a country like France, the worker currently has only about one-third the buying power in terms of food that the American worker does. And in Italy, the worker has but 25 percent of the food-buying power of his United States equivalent.

However, today, the specter of hunger has been eliminated and food rationing throughout most of the continent is now a thing of the past. Europe's workers no longer have to face interminable winters without any heat and no longer is there the severe, almost desperate, rationing of electricity, gas, and other utilities. Moreover, a large slice of Marshall plan counterpart funds—totaling \$442,000,000—have gone for low-rent housing projects so that the European worker might be better sheltered.

This reconstruction has not succeeded in replacing buildings destroyed during the war and has done little to meet the demands for housing imposed on France, Italy, Greece, and Western Germany by increasing populations.

However, the results stemming from Marshall plan benefits to Europe's workers have been strongly evident. Just prior to the advent of the recovery program, communism's grip over the European labor movement was at its height. Now, 3 years after American economic assistance began, this dominance has fallen to its lowest postwar ebb.

It was, for instance, the workers in Europe who first gave the earliest and strongest support to the United Nations action against Communist aggression in Korea. While other segments of European society debated whether or not to follow the United States lead, the workers, through their unions, rushed to the United States side. Using every informational means at their disposal, the UN action was explained as vital for the defense of democracy. Long considered pacifist in outlook, Europe's workers were no longer willing to settle for peace at any price.

And in order that Europe will be strong enough to survive, European workers are seeing to it that the vital shipments of Atlantic Pact arms aid are arriving safely. This is happening even in France, where so much yet remains to be done. When the Marshall plan first began, Marseilles was one of the great ports controlled lock, stock, and barrel by the Communists. The Reds controlled 54 of the 55 seats on the port dockers committee. But since then, the Communists have lost all but 10 of these seats and arms for the free world's defense are being unloaded without incident. The same thing applies to other great continental ports such as Cherbourg and Naples.

Another example of how Europe's workers now feel occurred in Austria less than a year ago. By means of a general strike, the Communists attempted a crude coup d'état. But Austria's free workers—the overwhelming majority of the country's labor force—refused to go along. And the Communist power bid resulted in a miserable failure.

There are some of a growing number of instances which show that the Communists are failing in their attempts to use Europe's workers for their own ends.

They are instances where worker benefits from the Marshall plan have brought about a renewed faith in democracy, a new optimism for tomorrow.

It must be stated, however, that there are two countries in Europe where communism though on the defensive still remains a power to be reckoned with. In France and in Italy, workers must have decent standards of living and a fair share of the fruits of recovery before the Red influence is wiped out. Management in these countries has yet to realize that the fruits of greater productivity—a productivity which has already risen above prewar levels—must be shared by the workers.

Nevertheless, the primary task of the Marshall plan was to get the basic industries on a functioning, producing plane. This job, by and large, has been accomplished.

The task ahead is one of increasing productivity, and insuring that the workers do benefit in the form of higher wages and lower prices.

The Marshall plan's new productivity-improvement drive is aimed specifically at these goals. European industry is now producing. It can and must produce more efficiently.

Once properly reorganized, retooled, and reoriented industrially, Europe will be able to increase its economic pie by \$100,000,000,000 a year according to an estimate made recently by ECA Administrator William C. Foster. This will mean that the living standards of our European friends, especially in current trouble spots, would continue to rise at the same time these nations are rearming for western defense. It also will mean a final thrust at the already weakened Communist influence in Europe.

This final step must be completed in rebuilding Europe and in seeing that the continent's working force does have the living standards and way of life which are indeed worth while defending.

Mr. BROWN of Ohio. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. VURSELL].

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

Mr. VURSELL. Mr. Speaker, I would like to preface my remarks by stating I believe that by carefully reducing nearly every item of military and economic aid provided in this bill, we could reduce the total amount by \$2,000,000,000 or more and in no way slow down or weaken our assistance to the nations covered in this bill.

I make this statement because I feel certain that they will not be able to

spend more than the \$5,000,000,000 the bill will carry if it is reduced by \$2,000,000,000. I think it ought to be reduced because excessive appropriations contribute to excessive and wasteful spending. I think it ought to be reduced because it will lessen the tax load on our people by that amount.

Mr. Speaker, last week we voted to appropriate over \$61,000,000,000 for national defense. Many believe that amount should have been cut \$5,000,000,000. In the bill before us we are asked to take from our American taxpayers another \$7,800,000,000 for military and economic aid to foreign countries, making a total of about \$39,000,000,000.

Mr. Speaker, this will increase the tax load \$460 on every man, woman and child in the United States for defense alone.

Our present national debt of \$256,000,000,000 amounts to a mortgage of \$1,700 on every man, woman, and child in our Nation. This \$460 added to the \$1,700 individual mortgage, increases the mortgage or debt on each of our over 150,000,000 people to \$2,160. On a family of 4 the mortgage or debt amounts to \$8,640.

I ask you in all seriousness, my colleagues, how long can we continue such spending without wrecking our country financially and impoverishing our people?

And, in addition, Chairman VINSON of the Armed Services Committee will have a bill before us soon to increase our Air Force to 163 wings that will increase the above amount by possibly more than \$10,000,000,000 a year. Then we will have to add many billion dollars a year to maintain such a force.

We cannot carry the colossus cost of such a military budget without crushing the taxpayer, and destroying the economic strength of our country. Unless we stop this hysterical spending, our annual budget will soon exceed \$100,000,000,000 a year. You cannot possibly get that much money from the American people. It is time to supplant hysterical and wishful thinking, with sound economic analysis, and arrive at realistic conclusions.

Since the beginning of World War I, to and including the appropriations requested of this Congress, we will have spent for defense, the prosecution of these wars, and in aid to our veterans caused by these wars, \$647,000,000,000. We will have to continue spending many billion dollars a year for defense, probably for the next 10 years. I ask you, how long can we continue at this rate of spending?

During and since the war, we have followed a policy of dollar diplomacy, in an effort to bribe and buy the friendship of foreign countries, to the point where, in many instances, we have almost become subject to financial blackmail by other nations. This policy has made us few if any real friends.

Some of the loans and gifts were necessary and, in my judgment, have been highly beneficial. We have helped to put Germany and all Western European countries on their economic feet to the point where their production is esti-

mated to be running 44 percent higher than it was before they entered World War II.

Our financial aid to Japan under the wise leadership of General MacArthur has resulted in establishing a new government of freedom, which will align itself with the western nations of the world very shortly when the peace treaty is signed.

I think I voice the sentiment of many Members of the House when I say that we should hesitate to approve the \$2,000,000,000 of economic aid provided in this bill because we have rehabilitated Western Europe to where it is no longer necessary.

However, many Members feel that some economic aid should be given to a few nations in Western Europe, the Balkan countries, and some nations in the Far East.

I think the amount provided in this bill for both military and economic aid is much more than is necessary. For that reason, I suggest we reduce the amount of military and economic aid carried in this bill by approximately \$2,000,000,000.

If this reduction is made, the bill will still provide \$5,800,000,000, all the aid necessary for the coming year, more money than they will be able to spend, and it will lessen the load on our people now heavily burdened with taxes.

I submit this is a very reasonable reduction. I think we should, in fact, reduce the amount by \$3,000,000,000. I suggest this smaller amount because I fear the Members will not approve a larger reduction.

Mr. Speaker, I make this suggestion in the interest of our heavily burdened taxpayers and all the citizens of our Nation.

Is it not time we try to offer some protection for our own people? They sent you and me here to protect their interests first. They did not send us here to bleed them to death through taxation for the support of dozens of nations throughout the world. They did not elect us their representatives, to tax them and their Nation into financial bankruptcy, and plunge them into chaos, poverty, and ruin.

The thousands of people we represent in each of our districts are worried with present conditions. They are more fearful of their future and the future of their children than ever before in our history. They know this Congress is permitting too many billions of dollars to be wasted in reckless spending, and given away to countries all over the world. They know this outpouring of their money is largely responsible for the high cost of living and the inflation now upon us; that this reckless spending has driven down the purchasing power of their dollar to about 45 cents; driven down the purchasing power of their Government bonds and savings of every kind; and has driven up, higher and higher, their taxes and national debt.

You have a chance to calm their fears, and to help restore their confidence in their Government by greatly reducing the amount called for in this bill, and by drastically reducing the amounts called

for in the several appropriation bills as they come before us in the future.

Mr. Speaker, it is time to call a halt, and stop the unnecessary giving away and reckless spending of billions of dollars of their hard-earned savings, in every session of the Congress.

If you will make such a reduction and continue to reduce appropriation bills as they come before us, we can close this session of Congress by reducing the budget by over \$7,000,000,000. By such action the Congress will regain the confidence of the people. We will stop the decline of the purchasing power of the dollar. We will reduce the pressure of inflation. We will alleviate the fear of the people we represent, we will restore their optimism of hope, increase our own self-respect by doing our full duty, and greatly strengthen the financial stability of our Government.

My friends, are any of us so juvenile and naive in our thinking, that we fail to realize our first line of defense is the financial solvency of our Government. You say, this is a defense measure. Properly handled, it can and will contribute to our national defense.

But, if we wreck our Government at home in spending more billions than necessary to build up a dozen other nations of the world, we will wreck and destroy our defense, we will fail the people we are sworn to protect and represent, and we fail the nations of the world we overzealously try to help.

If you spend the United States into bankruptcy, you make the dream of Lenin, the founder of Russian communism, come true. You make it possible through poverty and despair for communism later to take over our country and the world and black out freedom, liberty, and the happiness of all civilization.

We can and must keep the United States so strong that it will remain the central dynamo of force and power reflecting our influence for peace throughout the world, and our power to achieve victory if war must come. If we will keep America strong so that she can carry the torch of freedom high, and continue to aid other nations to the limit of our ability, we will in time destroy and defeat the godless ideology of communism.

Our greatest danger to ourselves and our allies lies in overextending ourselves. Trying to carry too big a load all around the world. We shot and shipped away billions of our national resources in World War II. We gave away in lend-lease and in bank loans over \$70,000,000,000. We have given away to other nations since the close of that war about \$40,000,000,000.

Now we propose to give away in this bill over \$8,000,000,000 more.

The Ways and Means Committee has just spent 6 months searching every nook and corner of our Government in raising tax schedules that will only bring in \$7,200,000,000. In this bill now before us, you propose to give it all away to other nations. Do you think it is fair to our people to grind them down with the heaviest taxes ever known and hand their tax money over to other nations?

Chairman DOUGHTON, one of the greatest Members ever to serve in this House, a few weeks ago when presenting the \$7,200,000,000 tax bill told us this is the last big direct tax bill the economy of our Nation would stand. That we were at the end of the tax road. He said we have scraped the bottom of the tax barrel. My friends we must heed this warning.

Here you have the Ways and Means Tax Committee laying the heaviest taxes ever known on the American taxpayers, and you are promising to give it away in this legislation to other countries before we can collect it from the sweat and toil of our people.

Mr. Speaker, it is time for the Congress to assert its full power and influence in the formulation and direction of our domestic and foreign policy.

What we most need today in our foreign policy is to replace the propaganda of fear, appeasement and crises with a policy of calm, firm, honest common sense leadership in solving our problems of government. If we continue the policy of hysteria and fear of Russia, and continue to dissipate our material and financial strength throughout the world, we will not only weaken ourselves at home, but continue to play right into the hands of Russian communism whose founder, Lenin, predicted over 30 years ago that Russia would cause the United States to spend itself into bankruptcy.

Many of the ablest thinkers, and I agree with them, believe that Russia is playing such a game at the present time. They believe that Russia knows she dare not start a war with the United States, because if she does, she will end up in as great a defeat as was brought upon Hitler. It is time to swing the big stick—time to stop parading our weakness before the world. Russia knows we have the power to defeat her and bomb her industries to destruction; that she does not dare risk a war with us.

If we adopt a policy of making certain that we preserve our own economic and financial strength, it will strike terror to the bluffers in the Kremlin, and start the nations of the world toward peace.

Let us start on that road today by intelligently reducing this bill. It is up to the Congress of the United States to keep our own Nation strong and thereby make our greatest contribution to other free nations in averting world war III and following the road to peace.

Mr. COX. Mr. Speaker, I yield 14 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I do not know what the Members of the House generally feel about this bill. I am deeply disturbed about it so far as I, personally, am concerned. I would rather suspect that the House is going to be divided on this bill in about four classes. There are those who are for the program—and they are convinced. There are those who are against the program—and they are convinced. They will stand pat and vote for their respective sentiments. Then, I think there are those who are in doubt and want to be convinced against the bill. Then, there is the class to which I belong: Those who

are in doubt on some features of the bill and want to be convinced for the bill.

I am one of those who has always supported the Marshall plan—the ECA. I have always supported the North Atlantic Pact. I believe in arms aid to Europe. I have some questions in my mind which I hope the debate will clarify as to certain features of this bill. To give you an example of what I have in mind, as I understand the bill, we propose to do two things. One is to give military assistance, that is arms, and teach those people whom we want to aid how to use those arms—in other words, military assistance. Then we are going to give them economic assistance, which is sustenance, and those things which will help to keep them healthy and so forth, and the things which will aid their economy.

I am thoroughly convinced that the program is sound as to Europe. I am thoroughly convinced that Europe, so to speak, is our first line of defense. We have to operate there.

I am in doubt as to some of the other countries. I will mention, as an example, the Asiatic countries. Consider the case of India. I believe there is a provision for \$1,350,000,000 for arms to Asiatic countries. Then there are some hundreds of millions of dollars for economic aid to India and other countries. Consider India. We have had some experience with India. This year we just gave them \$190,000,000 worth of wheat. We called it a loan, but everybody figured it was a gift. We have already done that this year. We are supposed to make friends out of India. Well, I have been watching the public utterances of Nehru. I do not think we have made any friendship there. I am worried about what Nehru is going to do with the things we give him.

Now to come down to what I am worried about—if we give arms to India and we teach them how to shoot. I would like to be convinced as to whom they will shoot at after they have learned how to shoot. Are they going to be shooting at us, or at our enemies? I think that doubt which is in my mind applies to the Asiatic countries. Consider Iran. There is aid here for Iran. Everybody knows that Iran is in a ferment right this minute. Nobody here can predict whether they are going to be shooting at us or at the Russians. I am apprehensive that we may be putting in the hands of these countries a lot of tanks, guns, and other things that may be used against us in the future.

I want my mind to be relieved on that subject. I hope this debate is going to do it. I understand that we have in this bill some eighty million dollars scattered all over the earth for point 4. Point 4 passed the House, and I suppose the House is for it. I was opposed to it and I am still opposed to it. I do not believe in a world-wide WPA and that is exactly what it is, but it is in this bill. I do not think it ought to be in this bill. I never could understand why we ought to teach everybody in the world what our particular asset is; namely, the know-how to do things. We are going to teach all of our friends and our potential ene-

mies just as much about the know-how to produce arms and ammunitions and foodstuffs as we know. Then, what is going to happen after we teach them? That is what worries me.

We have in here an item of aid to Israel that I do not think ought to be in this bill. But it is in there, and I have no special objection to it. I am just expressing some doubts that are floating around in my mind. I have the deepest affection for, and utmost confidence in, my good friend, the chairman of the Foreign Affairs Committee [Mr. RICHARDS]. I am hoping that he is going to resolve the doubts I have, and I am going to vote for the bill, whatever comes out of it.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. If I understand the gentleman correctly, he would like to be convinced that insofar as military aid is concerned, if we do undertake to give arms to other nations we ought to be reasonably sure that those nations are our friends and will be on our side in the event of difficulty. If that is what I understand the gentleman to mean, may I say I agree with him wholeheartedly and I join with him in expressing the hope that we can have assurances in that regard.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. CELLER. I wish to state that during the last war India had over a million men under arms on the allied side, on our side.

Mr. SMITH of Virginia. That is what I am afraid of. You may have a million men under arms, but from present indications they will be on the other side, and I do not want to furnish them any guns if they are going to be on the other side. I want the gentleman, or somebody else, to give me some assurance that that is not going to happen.

Mr. RIBICOFF. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. RIBICOFF. I think the query raised by the gentleman from Virginia and the gentleman from Indiana is proper. I commend to the gentleman from Virginia and the gentleman from Indiana, and all the membership of this House, a careful reading of section 508 of the bill. On page 24, section 508 lays down the conditions. We think we have nailed this down pretty well, to make sure that anyone who receives aid of any sort from the United States of America will be our friend and will be with us in the development of peace and international security, and also the security of the United States. That section is well worth study.

Mr. SMITH of Virginia. That is a very interesting contribution. I think I have read that, but just how are we going to be guaranteed what Nehru will do, for instance? I simply use him as an example. How are we to know that Nehru is going to do what he says he will do? He has never said that he is going to be on our side. Every indica-

tion that I have ever heard of is that he is on the other side.

Mr. RIBICOFF. I will say to the gentleman that in the field of international relationship there are no certainties, but I would say that certainly this program is not a program where all the arms and all the aid will be put on one ship and delivered in 1 day to any one recipient. It is a continuing program, and I would hope that those responsible—

Mr. SMITH of Virginia. I cannot yield further. I yield to the gentleman from Indiana.

Mr. HALLECK. Appropos of the suggestion of the gentleman from New York [Mr. CELLER], to the effect that in World War II India had a million men under arms, it is worthy of note also that in that war Russia had millions of men under arms, but as of today no one will deny that Russia is our enemy.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. JUDD. The answer, I think, to the gentleman's question is in the language to which the gentleman from Connecticut referred:

No military, economic, or technical assistance * * * shall be supplied to any nation in order to further military effort—

Unless it agrees to certain things and—

Such agreements shall include appropriate provisions for such country to—

(1) Fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party.

The Government of India has no such agreement or treaty with us and in fact has announced that it will not enter into any military agreement with any country. So the President could not possibly give military assistance to India under this act.

Mr. SMITH of Virginia. The gentleman will understand that I am not antagonistic; I am just seeking information. Let me ask the gentleman a question, and I want him to answer: If that be true and we are going to adhere to that language and Nehru has said he will never enter into any such agreement why, then, do we include him for military aid?

Mr. JUDD. He could not get military aid under this bill; not a cent for military aid could be given to Mr. Nehru under that language of the bill. There is some economic and technical assistance, no military assistance.

Mr. SMITH of Virginia. I wish the gentleman would look at page 26 of the report where it gives the list of Asiatic countries that are included in this aid, if I have read it correctly. One of those countries, as I understand, is India, another is Pakistan.

Mr. JUDD. They are eligible for economic but not for military aid. They have no military agreement with us; they cannot under this act receive military assistance from us; they can get economic assistance.

Mr. SMITH of Virginia. I will check that further, and if it is not true I am sure the gentleman will cooperate with me in making that language clear.

I want to ask another question while I am up—I am propounding some questions here because I want to be convinced—why should we be giving India more economic aid when we have just given them \$190,000,000 worth of wheat and she is about to go to war with Pakistan, her neighbor? I want to know something about that.

I yield to the gentleman from North Carolina [Mr. BARDEN], if I have any more time.

Mr. BARDEN. I wonder if the gentleman could explain the difference between economic aid and military aid so far as the ultimate effect on the fighting strength of the nation is concerned? In other words, it is my idea that when you give economic aid you make that nation stronger so that it can be strong militarily. What is the distinction between giving a nation military aid and economic aid?

Mr. SMITH of Virginia. I am not explaining; I am asking for explanations, so I am perhaps not qualified to answer the gentleman's question.

Mr. BARDEN. Possibly I may be able to ricochet the question off of the gentleman to someone else who can answer it.

Mr. SMITH of Virginia. Let me ask a question. As I understand it, although it is not very clear from the language, giving them more food certainly makes them more willing and able to fight. The distinction as I see it is between helping to arm a country and feeding them.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. SPRINGER. May I say in connection with that language I have received information within the last 3 days which I think is fairly reliable, and I think it is known to the other Members of the House that actually what the gentleman has said is true. The wheat which we gave to India, that I voted for, is now being used to mobilize India's armies. You saw none of this stand which Nehru is making against Pakistan until this wheat had been agreed to be delivered to India; and I understand that is what mobilized their army now against Pakistan. I just make that observation not that I think it is any answer to the question of the gentleman from North Carolina, that there is no distinction between economic aid and military aid in a great many instances, particularly here in the case of India.

Mr. SMITH of Virginia. I thank the gentleman and yield back the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 15 minutes.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, at the very beginning may I compliment the gentleman from Virginia for his approach to this entire problem now before us. I hope I may be able to discuss this proposed legislation with the House for a few minutes in the same fair and factual manner as did the gentleman from Virginia [Mr. SMITH]. But before

discussing this measure in detail, it might be well to make it clear that while the rule provided in the resolution as printed, and which is now before us, makes the mutual aid and assistance bill in order for a full day of general debate, an amendment was adopted at the very beginning of the consideration of the resolution to restrict general debate on the bill to 4 hours, with the understanding, I believe, between the leadership and the Committee on Foreign Affairs that there will be no attempt to shut off debate under the 5-minute rule until we have had a fair discussion and all Members have had an opportunity to express themselves.

This bill, H. R. 5113, which is titled "A bill to maintain the security, promote the foreign policy, and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security," authorizes the expenditure of \$7,848,750,000 in the fiscal year which ends June 30 next.

Of this amount \$6,363,000,000 would go to European countries, with \$1,335,000,000 being for economic aid and \$5,028,000,000 for military assistance. The sum of \$590,000,000 would go to the countries of the Near East and Africa, divided \$415,000,000 for military assistance and \$175,000,000 for economic aid. The sum of \$778,750,000 would go to Asiatic-Pacific countries, to be divided three ways, \$530,000,000 for military assistance, \$237,500,000 for economic aid, including Korea, and then \$11,250,000 in a separate item as assistance to Korea.

Title IV of the bill carries \$62,000,000 as aid to be given to the American republics, which refers, of course, to the republics to the south of us. It includes \$40,000,000 for military assistance and \$22,000,000 for economic assistance.

Title VI of the bill carries another item of \$55,000,000. That is for strategic materials and I think also some of it goes perhaps to point 4.

The bill, as it was introduced in the House called for a total appropriation of \$8,500,000,000, and to the credit of the Foreign Affairs Committee of the House, let me say the committee reduced the total by some \$651,250,000. But the amount that is left in the authorization contained in this bill, I want to emphasize, is still \$7,848,750,000.

The authorizations in this bill as it comes here are, of course, to implement some of the legislation and some of the policies and programs which have been previously approved by the majority in the American Congress, such as the North Atlantic Defense Pact treaty or agreement, and the so-called Marshall or ECA program. The ECA program, by the way, is scheduled to expire completely next June 30 at midnight. I understand that under the original plans there would have been about \$650,000,000 still to go for economic assistance under ECA or under the Marshall plan had it not been for new and recent military activities in Europe and elsewhere in the world.

However, I wish to emphasize this, if I may, and I do not want any of you to forget it, that this measure is just the first step, this \$7,848,750,000 authoriza-

tion, in what has been announced is to be a 3-year program which will call for the furnishing of approximately \$25,000,000,000 in military, and perhaps also in some economic, assistance and to foreign nations in the next 36 months ahead, according to General Marshall and to others who have so testified before congressional committees.

When this bill came before the Committee on Rules I was finally forced to say, "I will not participate in reporting a bill regarding which we cannot get full information." Of course, there is considerable information contained in this report, but there is even a great deal more which is not in this report. As a member of the Committee on Rules I was told that many of the expenditures authorized by this bill were secret; that "we cannot tell the Congress; we cannot tell the Committee on Rules; we cannot tell you, Mr. Brown," or any of the others sitting here as Representatives of the American people, elected by them to act and to speak for them, just how much the United States is going to give to any one particular country. That is a secret, we were told. Finally, to the credit of the chairman of the Committee on Foreign Affairs, we were told that if any of us wanted to have this information furnished us in secret, to be imparted to us on our word of honor as Members of Congress, I presume to keep it inviolate within our own breasts, not to tell anyone we represent where their money will be going, the committee would give us that information privately.

As I pointed out in the Committee on Rules, there is little or no secrecy as to the taxes the American people are being called upon to pay in order to meet the expenses of these foreign-aid programs. There is little or no secrecy as to the activities of the draft boards of America. There is not much secrecy as to the shocking casualty lists which are pouring in telling of our losses in Korea. There is not much secrecy about the deaths of thousands of American boys on foreign battlefields.

I want to repeat, Mr. Speaker, what I said in the Committee on Rules, that I am getting sick and tired of being called upon to send to the floor of the House legislation that is marked "secret"; sick and tired, Mr. Speaker, of appropriating and spending the people's money secretly on the thesis or the basis that not even Members of Congress, let alone the American people who are footing the bill and fighting the war, can be trusted to know anything about what is being done.

Seven billion eight hundred and forty-eight million seven hundred and fifty thousand dollars. That is \$648,000,000 more than the total new revenues which would be raised by the new tax bill that we passed here in the House late in June, and which is now pending before the other body; a bill which would increase personal or individual income taxes on all American citizens by 12½ percent, and make them pay one-eighth higher taxes than before; a bill which would raise to an all-time high the taxes on corporations so that the Government

will become the major partner in every business concern and activity in this country and take at least 52 percent, and perhaps as much as 80 or 85 percent, of the earnings of those concerns and corporations.

The proposal or program we have had before us is not the first of its kind to be presented to us. I predict that it will not be the last.

So I want to express what I believe is the feeling of many of us here by saying that I am losing quite a bit, if not all, confidence in the statements which are so regularly given to us by those in control of our Government. We have been told time after time that if we would just adopt this give-away program or that give-away program everything would be lovely, and we would have peace and contentment, quietude, and serenity, not only here at home but throughout all the world.

I can recall the days when we were being told, "If we will just give them the guns they will furnish all the men and do all the fighting." But, you will remember, it was not long until our youngsters were doing most of the fighting and dying in Europe. We were not only supplying the cannon, but the cannon-fodder as well.

I can remember back to lend-lease, which we were told would solve all the problems of the world and bring us peace. I can recall back when we were going to put Great Britain on her feet by making the British loan. I can also recall the brave words and the many promises uttered here about UNRRA, and how that great charity program was going to solve all the world's problems, and give us a peaceful and prosperous humanity.

My colleagues, it is time we stop, look, and listen. We must take time to consider what is being done to the great country which is called America. We must begin to realize how much we have already given of our national substance in the attempt to buy friendship and whether or not our attempts have been successful.

From July 1, 1945, to March 31, 1951, the United States of America expended or gave away \$32,682,000,000 in foreign aid, and that figure does not include military items and activities for the benefit of others. That is \$210 per capita, if I have figured correctly. In 10 years we have spent, on different types of foreign aid, military and otherwise, outside of fighting wars, \$124,000,000,000 of the American people's money. We appropriated the other day for our own national defense \$56,400,000,000. We are now devoting a far greater percentage of our national income for military purposes than any of these nations, and I refer you to this report, which we are helping so much.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. ARENDS. In order that the Members may better comprehend what the gentleman is talking about in quoting the figure of \$124,000,000,000, may I say that I saw a figure the other day of \$115,000,000,000 we had given, granted,

or loaned since the beginning of these programs, which is equivalent to the physical assets of the five great States of Illinois, Indiana, Iowa, Michigan, and Wisconsin, completely.

Mr. BROWN of Ohio. The gentleman is quite right. And remember that a great portion of that money was borrowed, and the debt is left for our children and our grandchildren to pay. We have not been furnishing this foreign aid from our own surplus, or paying for it with our own extra money which we can spare. Instead we have been spending and giving away the earnings and the substance of our children, and our children's children yet unborn, in an attempt, of course, to buy friendship and peace. We started out to help Europe recover from World War II, and then, when Europe had recovered to her prewar condition, the job would be done, we were told.

But let me read you a few facts and figures, if you please, from the bible of the State Department, the Economic Cooperation Administration, Eleventh Report to the Congress. May I read only two or three sentences? Remember, we were to help Western Europe recover her ability to produce and then everything would be hunky-dory, everything would be perfect. But let me quote what they say:

The sharp rise in Western European industrial activity carried output in the fourth quarter of 1950 to a new postwar peak, 38 percent higher than 1938.

In other words, according to this official ECA report, Western Europe has not only recovered industrially to where it was before World War II started, but is actually 38 percent better off than it has ever been, has a 38-percent higher production than at any time before World War II started.

But that is not all. Let me quote further:

Steel production at the rate of 54,000,000 metric tons annually reached the highest level on record in Western Europe. New postwar peaks were established in motor vehicles and textile output and in ship building. New records are being established in agricultural production which for Western European countries as a group is expected in 1950-51 to reach a level nearly 10 percent above that of prewar.

Then, let me quote to you this too, if I may:

In the fourth quarter of 1950—

Now this is not Brown of Ohio speaking—this is the ECA itself speaking—

In the fourth quarter of 1950, the export volume of the European Relief Program countries reached 157 percent of the 1938 level, and the monthly value of exports passed the \$2,000,000,000 mark for the first time on record.

What does that mean? That simply means that Western Europe is producing more goods than ever before—57 percent more production of goods for export than ever before. Going where? Into the world markets that were formerly supplied by the United States of America from the production of the factories and the labor here at home. But now we in the United States are producing steel—and making military

weapons, tanks, and so on, under the military aid program, on the theory, if you please, that European nations cannot supply such weapons for themselves. Yet, at this moment, very moment, when the average American cannot get the steel he needs to keep his little workshop or factory going, when we have all sorts of restrictions upon the use of steel here in the United States in our effort to divert American steel to the making of weapons for foreign countries, European steel, sirs, is flowing into South America, and into Mexico, and taking the markets of those nations away from the steel makers of this country. That is happening in almost every other line of industrial production that I know of. So I have been forced to come to the conclusion: Unless we are more careful in what we are doing in helping Europe and other parts of the world to recover, we may destroy or lose the markets for the goods which flow from our own American factories and the skilled hands of our workers who are paying the costs of altruistic give-away programs. Once peace does come, we find we have made it impossible for many an American workman to have a job and the full dinner pail which he needs. We may find that in helping foreign nations too much we have destroyed our own. So I have come to the conclusion, reluctantly but with certainty, that while we may have to go ahead with some of this program, that we should and must, reduce the authorizations contained in this bill to more reasonable figures—eliminate as much of the economic aid as we possibly can—cut it in half at least—and reduce the military aid spending authorized by this legislation to a more realistic figure.

Remembering that many of the very same officials who are now telling us it is absolutely necessary to furnish machine tools, strategic materials, munitions and weapons to foreign nations, not long ago were with equal fervor assuring us of the friendship and trustworthiness of the Soviet Government of Russia and urging the furnishing of all sorts of industrial equipment and military supplies to that nation, which has now turned upon us, I cannot refrain from sounding a note of caution. A sense of public duty compels me to warn the American people to stop, look, and listen. Those of us who serve in the Congress must get down to realism. We have lived and served long enough in Washington, we have had sufficient experience in Government, to know that none of these spending agencies ever ask for less than they need. We know they always ask for quite a great deal more than they either need or expect to get. If you question my statement turn to this committee report and just examine the list of witnesses who appeared before the Committee on Foreign Affairs in favor of this bill. You will find it was the spenders who testified, with but few exceptions, they asked for more than they are entitled to get. I hope the total authorizations contained in this bill will be drastically reduced. We can easily cut this total authorization by \$2,000,000,000—and perhaps by much

more—without endangering our own security, or being unfair to other nations, but with much benefit to the average American who must pay the freight.

Let us remember that we cannot buy friendship—that it is difficult to help those who will not help themselves—that no military or defense advantage can be gained by arming those who do not have the will to fight for the preservation of their own liberties—and, finally, recognizing our responsibilities to others we must never forget that our first responsibility here is to our own people.

Mr. COX. Mr. Speaker, I rarely find myself in disagreement with the very able gentleman from Ohio [Mr. BROWN]. I have at times wondered if I did not permit my deep affection for him to cause me too often to yield to his viewpoint. I listened to the gentleman with interest. It was not until he reached the conclusion of his statement that I got the point he was seeking to make. I understand that his objection to the bill is to the amount that it carries.

Mr. Speaker, there are many of us who have doubts about the bill, but it is my feeling that such doubts that haunt most of us will be dissipated if we will listen to the debate on the bill.

Representatives of the Foreign Affairs Committee who appeared before the Rules Committee on their application for a rule operated in complete frankness, and evidenced familiarity with the whole program. There was no apparent effort, none that I could see, or any inclination on the part of the committee, to withhold any information that might be helpful to the Rules Committee in passing upon the question that was presented. These representatives of the Foreign Affairs Committee conducted their case with becoming dignity and experienced no difficulty in convincing the Rules Committee that their bill should be brought before the House for such action as it might wish to take.

I was particularly impressed with the statements made by the chairman of the committee, the gentleman from South Carolina [Mr. RICHARDS], by the gentleman from Ohio [Mr. VORHS] and others. I was particularly impressed by the answers they gave to questions that were propounded to them. The question has been raised as to what is the difference between military aid and economic assistance. If I understood correctly the members of the Foreign Affairs Committee, economic aid is assistance that will be rendered to the friendly powers involved for the purpose, in the main, of being expended in the manufacture of munitions of war.

Mr. Speaker, it is possible that an amendment will be offered that I could support, but I wish to say, sir, that in the main I am for the bill. I do not see how we could afford to hesitate to move forward with the program that was initiated some 2 or 3 years ago. If these were normal times then there might be some reason for the opposition that we hear expressed to the adoption of this measure. But, Mr. Speaker, these are anything but normal times.

I should like to emphasize that not a dime of the money that is proposed to be

devoted to the carrying on of this program will be expended except for the purpose of insuring national security. We know enough to know, Mr. Speaker, that strong, and mighty, and powerful as is this great country of ours, we cannot reasonably hope to contend with an angry world organized against us. We know, or we ought to know, Mr. Speaker, that Western Europe is important, that the continued cooperation as between our country and the other friendly powers of the world is necessary if this great United States of ours is to survive. I do not believe we will be able to locate a Member of this House who would take the position that nothing ought to be done.

The difference between Members of this body is, as I understand, confined largely to the question of amount of money that is authorized to be appropriated; and, with regard to this, Mr. Speaker, I should like to call attention to the fact that the Foreign Affairs Committee approached the consideration of this whole problem in a realistic manner. It has reported a bill that carries a reduction of three-quarters of a billion dollars in the amount claimed to be necessary for the successful prosecution of the program upon which we entered some time ago. It is my conviction that the committee has done an excellent job.

Mr. Speaker, I trust that there will develop no effort to tear this measure apart. The committee handling it carefully put it together, and is entitled to the thanks and the applause of the Congress and the country.

Mr. Speaker, I trust that the rule will be adopted and that the bill as written will, in the main, hold together.

(Mr. REED of New York asked and was given permission to extend his remarks at this point in the Record and include a newspaper article.)

Mr. REED of New York. Mr. Speaker, to avoid foreign entangling alliances is to say that the United States should mind its own business.

Now that the Truman administration has squandered unlimited billions bringing tax exaction to the point of confiscation, the people of the United States want the Government of the United States to mind the business of the United States. The home problems have become unbearable under inflation. The dollar is vanishing in purchasing power under the waste, extravagance, and currency expansion. Instead of even attempting to devote time and effort to checking inflation the New Deal is running around the world poking the nose of our Government into other peoples' affairs. Already some of the countries are resenting the offensive course, and our Government is having its "Paul Pry" nose pulled for its pains. The price the people have paid as a result of the Government not minding its own business is colossal. I often wonder if it ever occurs to the bureaucrats, who are circulating at the taxpayers' expense from one country to another poking their noses into other countries' affairs, that the net result of their meddling will be trouble. The only way the people of the United States can have peace and prosperity

is by having our Government mind its own business.

We could have kept free from the world war and from all the troubles which have followed the New Deal administration in charge of our Government had we minded our own business.

We have had trouble, and we will continue to have trouble, with the nations we have aided. One of the chief bureaucratic meddlers now making trouble abroad is the Economic Cooperation Administration. It is now trying to sell an ECA plan to foreign nations to which they violently object. This plan has aroused the Dutch officials to the point of frenzy. They are up in arms about this new factor in the ECA plan calling for direct contact between American officials and local trade-unions and industry. These Dutch officials—more interested in preserving the integrity of their government and the sovereignty of their nation than in bartering these for United States dollars—charge that the ECA plan is "encroaching on national sovereignty," and is offering ammunition to the Communists, and end up by calling it "completely unacceptable."

The Dutch press is no less aroused. The conservative newspaper Trouw declares bluntly that the American plan for "direct interference in wage and price policy" represents nothing less than "an effort at colonization of Western Europe."

The Dutch press reports that—

The danger exists that ECA in intervening in the productivity problems of certain enterprises, would assume the tasks for which it is not equipped and for which it is not the most appropriate agency.

The Dutch Government never has approved of the way the ECA officers have run around their country talking to industrial and labor leaders, though it was tolerated so long as it remained strictly unofficial. The press reports: Dutch officials frequently were irritated to find that in conference with business and trade-union leaders they were contradicted with the phrase, "But ECA says"—

The press reveals:

Now ECA has come up with its new program, which was inspired—

According to press accounts—

mainly by William Joyce, Jr., who made a survey tour of Europe and now has been named Deputy Administrator of ECA. The Joyce policy apparently spurred by the feeling that in Italy, France, and West Germany the Governments are not doing enough to increase productivity or to share the results of recovery fairly, is based on more direct contact with national economics.

Now what does the New Deal administration propose? I am informed that it proposes that bilateral agreements with Marshall-plan countries be amended, or new agreements be drawn, to empower ECA to deal directly with foreign industry and labor. Production assistance boards would be set up comprising the government, industry, labor, agriculture, distribution, and the consumer—these boards to have independent status. Listen to this:

Specific plants would be "adopted" by American companies for the purpose of sharing technical know-how.

Eight billion dollars is now proposed for foreign aid. Every dollar to be earned by the sweat of the brow of the American taxpayer. This burden must be borne while taxes and inflation rob the people. Authentic information shows that ECA would make available \$330,000,000—\$250,000,000,000 in local counterpart funds and \$80,000,000 in dollars—to carry out the productivity drive.

The Internationalists—the One Worlders—utterly unmindful of their own country and also unmindful of the sovereignty, the self-respect of foreign people, insist on spending the American taxpayers' money to the taxpayers' detriment, and also contrary to the wishes of the citizens of the respective Marshall-plan nations.

The press reports that when the program was first circulated to the country missions, the ECA mission in The Hague expressed strong objections. Clarence C. Hunter, ECA Chief here, wrote ECA Administrator William Foster pointing out that the Dutch Government was as cooperative as could be wished and that there was no necessity in the Netherlands for such a far-reaching program, especially since a satisfactory rise in productivity had been noted here. Nevertheless, the new program was announced from Washington as a general policy, applicable to all Marshall-plan countries, stirring the violent reaction that could have been expected.

I repeat, \$8,000,000,000 to force our economic program on foreign nations which they do not want and which they resent. It means nothing to our bureaucratic, internationalist-dominated Government if the backs of our own people are broken with the weight of taxation.

Our republican form of government—so often slandered by calling it a democracy—would not have had the threat of communism and socialism and every species of foreign "ism" which now menaces our Republic, except for failing to mind our own business. No people have ever long enjoyed peace, safety, and satisfaction under a so-called democracy. The founders of our Republic knew this and in their wisdom saw to it that our Government should be one founded on representation—a Republican form of government. I am opposed to H. R. 5113 and also to the rules.

Under leave to extend heretofore granted, I am inserting an article by Walter F. Trohan which appeared in the Times-Herald:

COST OF DEFENSE, FOREIGN AID GOES OVER \$500,000,000,000 MARK—VETERANS' BENEFITS SWELL UNITED STATES SPENDING—NEW BILL TO TAKE FIFTH OF NATIONAL INCOME

(By Walter Trohan)

The cost of defense and foreign aid has passed the \$500,000,000,000 mark and is soaring on toward the \$1,000,000,000,000 mark under the threat of world war III.

The cost of World War I and World War II with foreign aid and veterans' benefits, together with defense expenditures between the two conflicts and against the threat of communism, has reached almost \$647,000,000,000.

The total was sent over \$600,000,000,000 last week by House passage of the \$56,000,000,000 appropriation for the Army, Navy, and Air Force in 1952, which the Senate is expected to approve.

SECOND LARGEST APPROPRIATION

The \$56,000,000,000 appropriation bill is the second largest single appropriation bill in the history of Congress. The largest appropriation bill, as a \$59,000,000,000 military appropriation bill passed during the war on July 1, 1943.

The \$56,000,000,000 bill contemplates spending more than \$1 out of every \$5 of annual national income on defense. National income was estimated at a new high of \$251,000,000,000 recently.

The total cost of war, national defense in peacetime, foreign aid, foreign loans, and veterans' benefits are as follows:

World War I costs, 1917-19, \$17,725,509,843; World War II costs, 1942-45, \$243,832,226,728; peacetime expenditures, Army and Navy, 1920-41, \$28,003,073,955; World War I, foreign loans still unpaid, \$11,230,354,772; postwar loans, grants, and credits (January 3, 1940, through January 2, 1951), \$115,461,972,606; postwar national defense expenditures, \$123,863,114,269.

Fiscal years 1946 through 1951:

Veteran benefits and pensions, 1939-51	\$42, 250, 232, 634
Veteran benefits and pensions, World War I to the year 1939	\$8, 500, 000, 000
Contemplated expenditures, defense, etc., 1952	56, 000, 000, 000

Total..... 646, 866, 484, 807

*Included payments totaling \$3,595,965,530 in direct pensions and \$3,731,464,320 paid on adjusted-service certificates.

Since the Eighty-second Congress convened in early January, 107 Members have introduced 286 separate bills and four joint House resolutions to amend, extend or enlarge veterans' benefits.

VETERANS' COSTS SOAR

If Congress continues its favorable action toward veterans in the next decade, veterans costs will soar into a formidable item of the budget. Even at the present rate of expenditures—without new legislation and new veterans—veterans costs will reach \$200,000,000 in the next 37 to 45 years.

If new defense veterans and veterans of a third world war are added, the costs will greatly exceed the contemplated 200 billions. The 200 billion estimate is based on the assumption that only half of the 12,364,000 persons mobilized for World War II will ever get full benefits voted.

The contemplated expenditure of \$56,000,000 on defense against communism by the United States is seven times greater than contemplated expenditures of the nine European pact allies.

EUROPEAN BUDGETS CITED

Representative PHILLIPS, Republican, of California, during the week offered Congress the most accurate figures that can be found on military budgets and spending of the Atlantic Pact powers for comparison with American expenditures.

The following table gives the total 1951 budget and military spending and the military budget for the current fiscal year by nation:

[In millions of dollars]

Country	Budget	1951 military budget	Current military budget
Belgium and Luxembourg.....	1,871	320	289
Denmark.....	351	46	85
France.....	7,523	1,704	2,450
Italy.....	2,410	500	915
Netherlands.....	1,512	237	392
Norway.....	347	51	91
Portugal.....	180	45	57
Great Britain.....	11,000	2,670	3,640
Total.....	25,194	5,573	7,819

The United States is proposing to spend more than \$8,000,000,000 on European aid. This is more than the budgets of the nations receiving the aid provide.

The nine allies have a total population of about 175,000,000. The population of the United States, which is planning to spend more than fifty-six billions on defense against communism, is 154,000,000.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

LABOR-FEDERAL SECURITY APPROPRIATION BILL, 1952

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia, Mr. HEDRICK, be excused as a conferee on the bill (H. R. 3709) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1952, and for other purposes, that a substitute be named in his place and that the Senate be notified thereof.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island? [After a pause.] The Chair hears none and appoints the gentleman from New York, Mr. ROONEY. The Senate will be notified of the resignation and the appointment.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Landers, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3880) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1952, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments Nos. 39, 45, 60, 86, 88, and 113 to the above-entitled bill: Be it further

Resolved, That the Senate recedes from its amendment No. 108 to the above-entitled bill.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 349) entitled "An act to assist the provision of housing and community facilities and services required in connection with the national defense"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAYBANK, Mr. SPARKMAN, Mr. FREAR, Mr. DOUGLAS, Mr. CAPEHART, Mr. BRICKER, and Mr. IVES to be the conferees on the part of the Senate.

MUTUAL SECURITY ACT OF 1951

Mr. RICHARDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 5113, the Mutual Security Act of 1951, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RICHARDS. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, the bill before the House for consideration today is entitled "the Mutual Security Act of 1951." It is variously known as the foreign-aid program, the mutual security program, and other names that mean the same thing. This bill does deal with foreign aid; it does deal with mutual security; more importantly, at this stage in world affairs, these ideas are mutually complementary in the policy of the United States.

I realize, Mr. Chairman, that the membership of the House has for some time been anxious to consider this bill. The summer is going on, the world situation continues to be somewhat tense, and the Nation's business awaits our action.

I want to assure the House—and the public at large—that no criticism is warranted on any ground that the membership has been unwilling to take up this bill. On the contrary, this bill is here today as soon as possible after Committee consideration was completed only a few days ago.

At the same time, I want to assure the membership that since mid-June when the program was presented to the Congress the Committee on Foreign Affairs has been working day and night—literally—examining all the many complex aspects that are involved. Neither do I mean to infer that the executive branch has been dilatory in developing this program. I think the House should be fully aware of the time it takes to pull together a program like this. It involves a mass of military, economic, and political information that must come from other countries. All this must be evaluated at many levels of government before estimates can be prepared. The estimates themselves must be carefully weighed against considerations in the United States.

The House could have had this legislation sooner; and so could have the Committee on Foreign Affairs. But I am sure that the House concurs in the Committee's judgment that it was pointless to devote time to the consideration of a program until it could be presented in a manner that could be fully justified.

I can assure you that the Committee on Foreign Affairs has given this program the closest scrutiny. It was my pleasure to head a group of 18 Members of the House representing the Committees on Foreign Affairs, Armed Services, and Appropriations, which went to Europe and worked hard for 10 days interviewing our officials and our military leaders to get first-hand information before this program was considered in committee. When our study mission returned, the Committee on Foreign Affairs began its hearings. The hearings on this bill took 31 days. During this

time the committee held 60 sessions—21 in open session and 39 in executive session—and heard a total of 67 witnesses from public and private life. The committee record covers about 1,600 pages of printed hearings; and there is still more in the executive session record that must remain closed for security reasons. When the hearings were completed, the committee spent 9 days—including night sessions—in writing the bill now before the House.

I say all this not by way of trying to show the House that we work longer and harder than any other group. Quite the contrary; I merely want the House to understand that the Committee on Foreign Affairs has been doing the job the House has a right to expect of it. The bill before you today has been fully and carefully considered.

It is also a committee bill in the true sense. Members of both parties gave freely of their time and energy; argument was sincere and without rancor; every member of the committee was fully conscious of his public responsibility and the interests of his country. This is a committee bill; it is a bipartisan bill. I urge the House to consider it in that light.

I know that Members of the House have many questions to raise and many considerations to weigh in their own minds when they vote on this bill. However, I think we can look at this bill in terms of three main questions:

First. What is the rule of foreign aid relative to the security of the United States?

Second. Is the money authorized in this bill necessary?

Third. Is the existing organization adequate to the task of conducting a mutual security program, and if not, does the organization plan in this bill provide the answer?

I propose to give the House my thoughts on each of these important questions.

At the outset, let me state one fundamental premise: In the world today, the security of the United States is part and parcel of international peace and security. The time has long since passed when the United States can rest its security around and within its own borders. This is not a theory; it is a fact of the age in which we live. We took a long time to learn the lesson; and some Americans have not learned it yet—in spite of the blood and treasure we spent in the late war.

Preserving our own security means preserving the security of the free world. We accepted this principle in the 1930's; we endorsed it when the Eightieth Congress enacted into law the European recovery program. We have continued to recognize the fundamental truth in this doctrine every time we cast a vote for larger military appropriations—to build a force that can serve our global military objectives. We are full parties in the North Atlantic Treaty—a treaty where we openly and fully agreed that an armed attack on one is an armed attack on all, and that we would take measures to build up individual and collective self-defense. As a part of that commitment we have helped create a

European defense force, which General Eisenhower commands. Our military objectives and requirements take these commitments into account. Clearly and obviously, these commitments are part of the defense of the United States, and they must be honored as such, whether the money to meet them comes in a military appropriation or in foreign assistance legislation.

I cannot speak too highly in praise of General Eisenhower for the accomplishments which have been achieved under his leadership at SHAPE. In the comparatively short time he has been in command outstanding progress has been made in the organization and development of a European defense structure. As a result, there has been a notable revival and upsurge of morale among the people of Western Europe. This has been possible largely because of his great ability and the unprecedented degree of respect and confidence which he has inspired among our allies.

No one here questions the openly aggressive design of Soviet imperialism. We know full well that unless the free world can overpower the masters of the Kremlin with the mass of its strength—in weapons, in morale, and in the vigor of its productive economic institutions—we stand like a shorn Samson, unable to resist effectively the forces against us. It is a dangerous fallacy to assume that our task is completed when we attempt to meet our strictly military commitments. Military security objectives go hand in hand with the political and economic objectives of our policy. Serving one and neglecting the others only prejudice the one.

The foreign assistance program in this bill is an integral part of our security objectives. We seek to strengthen our own security by arming our friends in a common defense effort. We also seek by economic and technical help to strengthen the economies of friendly nations. In doing this we enable them to help in the task of arming themselves, and we help to blunt the sharp sword of Communist subversion that so completely and successfully destroys the weak.

Mr. Chairman, the foreign assistance program in this bill is one of the tools we must use to build security. It is as important a tool as the military forces of the United States, and we cannot assure our security by using only one of these tools. Both serve to defend the United States, each in its own way. The program in this bill and the funds authorized in it are an integral, important, and necessary part of the over-all expenditures for the defense of the United States.

It is my contention that the over-all figure authorized in this bill, \$7,848,750,000, is part of our over-all defense program and is just as essential to the defense of the United States as the \$56,000,000,000 defense appropriation bill, and the \$5,700,000,000 air base bill recently passed by the House.

Members may well ask, "When is this going to stop? We have spent billions in one program after another, and each time we are told 'this will solve the problem' but it never does." I appreciate the

force of this question. I appreciate the sincere concern of those who ask it because they are concerned with the welfare of their country and with its financial solvency.

My answer to that question is—we can stop spending money for foreign aid—for mutual defense—when our foreign allies are equipped to carry their share of the load. We hope and believe this will be soon.

The aim of this program is to help us reach the point where we can do with less because the threat of war—and the astronomical expenditures that go with it—will be less.

Only last week, when the \$56,000,000,000 defense bill was before the House, it was stated that the bill should be passed because war with Russia is inevitable and time is short. May I say that I do not concur in that opinion. In my thinking, the mutual security program is not offered here because war is inevitable. It is offered because I believe that with our own defense program and the program of help we are giving to other free nations to defend themselves, we will erect a common defense so strong that Russia will not dare to attack. The defensive strength is not to fight a war; it is to prevent a war.

Before the House approves this program, it has a proper right to ask what has happened to the dollars we have already spent on security for the free world since the end of the war and whether those dollars have returned full value to us.

Here are the figures of appropriations through fiscal year 1951 for the principal programs:

Greek-Turkish Aid Act (act of May 22, 1947)	\$625, 000, 000
Economic Cooperation Act	12, 545, 547, 328
Mutual Defense Assistance Act (includes military aid for Greece and Turkey in fiscal years 1950 and 1951) ..	6, 591, 510, 000
Act for international development	34, 500, 000
Total	19, 766, 557, 328

Let us examine these for a moment. We cannot calculate the return in dollar terms; lives, morale, and the intangibles of freedom are not measurable in dollars. Does anyone doubt where Greece and Turkey would be today without this aid? With our help, the Soviet Union has been prevented, first, from gaining an opening in the Mediterranean, one of the strategic anchors for Western Europe; second, from obtaining a free passage through the Middle East to Asia and Africa; and third, from gaining control of a vital oil supply. Who will deny that this expenditure defended the security of the United States?

Would there be a free Europe today without the European recovery program? Communism was on the march in Western Europe in the immediate postwar years; and there was a serious question as to who would control the vast economic potential of that area. No responsible person I ever heard would deny that without our aid then Europe would be Communist controlled now. What would this have meant? With Western Europe on our side, the free

world has a material productive advantage over the Communist nations, but if Western Europe had been lost to us, this advantage would now be greatly reduced and in some cases overcome. Without Western Europe's productive capacity, our advantage over the Communist nations would be reduced, generally, in coal from 3 to 1, which it is now, to three-fourths to 1; in steel from 5 to 1, as now, to 1¼ to 1; and in power from 6 to 1, our present advantage, to 1½ to 1. And if Western Europe were lost, we could not hope to hold the Middle East; the Communists would then control half of the world's oil reserves. In addition, 174,713,000 people—the population of the western European countries—would be under the iron heel of Soviet tyranny.

Perhaps Europe would not have fallen but we could not afford to gamble with stakes that high. With the Berlin blockade behind us, and our present knowledge of Soviet intentions, who would deny that the free Europe we have as an ally today was not worth the money we spent?

We began the mutual defense assistance program in 1949, amid many doubts about its value. Where would we be today if we had not taken this bold action 2 years ago? Could we overcome our disadvantage starting from scratch now?

The point 4 program was ridiculed last year as a boondoggle and a waste of money. Has anyone stopped to count the dividends—even in this short time—and the possibilities in terms of discovery of new sources of strategic materials, or of the effect at the grass roots level—where it really counts in the war against communism—on the morale of thousands of people?

We are gaining ground; we are defending our security on all fronts. Who will deny that the results are worth the expenditure in 4 years of a sum that is only about one-third of our military budget this year?

As the guardian of the taxpayer's dollar, the House can well ask the second of the main questions: "Is the money authorized in this bill necessary?" Let me say right here: If I thought that all the money authorized in this bill was not necessary I would not be here asking the House to vote it. And if I had merely endorsed the Executive request, I could not conscientiously tell the House that there was no room for reduction. My reasons for urging the House to vote the amounts in this bill are these: First, a cut has already been made after careful consideration by myself and by the Committee on Foreign Affairs; second, the amounts in this bill represent, in my best judgment, the minimum amounts necessary to carry on the program; and third, making further cuts runs the risk of denying us the vital objectives we seek to attain by this program.

When the President sent his budget message to Congress on January 15, 1951, he stated that he would later recommend a mutual security program for the fiscal year 1952 to cost \$9,700,000,000. On May 24, 1951, after further screening, he transmitted a message to Congress recommending the enactment of a

mutual-security program with an authorization of \$8,500,000,000. The recommendation in May 1951, was \$1,200,000,000 or about 12.37 percent less than the original estimate.

The committee heard the executive branch urge in great detail the approval of the \$8,500,000,000 request. When the hearings were completed, and before any bill was introduced, I considered the matter carefully and consulted with the professional staff of the committee to determine whether reductions could be made without injury. As a result of our studies, I introduced H. R. 5020, a bill which reduced the Executive proposal by

\$700,000,000 or about 8.24 percent leaving a total of \$7,800,000,000.

The committee considered H. R. 5020 with the greatest care and made a few changes in the amounts. The amounts in the bill before you total \$7,848,750,000. This is \$651,250,000 or 7.66 percent less than the original request. If we look back at the amount the President estimated in January 1951—\$9,700,000,000—and compare it with the figures in the committee bill, we find a total reduction in the original estimate of \$1,851,250,000 or 19.08 percent.

Let us examine the reductions made by the committee. Here are the figures:

Amounts authorized by this bill by area with a comparison of amounts requested¹

Item	Requested	Recommended change	Amount authorized
Title I (Europe):			
Military assistance.....	\$5,293,000,000	—\$265,000,000	\$5,028,000,000
Economic assistance.....	1,675,000,000	¹ —340,000,000	1,335,000,000
Total.....	6,968,000,000	¹—605,000,000	6,363,000,000
Title II (Near East and Africa):			
Military assistance.....	415,000,000		415,000,000
Economic assistance.....	125,000,000	+50,000,000	175,000,000
Total.....	540,000,000	+50,000,000	590,000,000
Title III (Asia and Africa):			
Military assistance.....	555,000,000	—25,000,000	530,000,000
Economic assistance (excluding Korea).....	262,500,000	—25,000,000	237,500,000
Assistance for Korea.....	112,500,000	—101,250,000	11,250,000
Total.....	930,000,000	—151,250,000	778,750,000
Title IV (American Republics):			
Military assistance.....	40,000,000		40,000,000
Economic assistance.....	22,000,000		
Total.....	62,000,000		62,000,000
Title VI (general): Strategic materials.....		+55,000,000	55,000,000
Grand total.....	8,500,000,000	—651,250,000	7,848,750,000

¹ \$55,000,000 has been transferred from title I, economic assistance for strategic materials.

Let us look at the figures in more detail. The changes made in the authorizations can be explained very briefly. In title I—Europe, the net reduction was \$550,000,000, or 7.9 percent. The difference between \$550,000,000 and the total reduction of \$605,000,000 in title I is \$55,000,000. This amount is an authorization for strategic materials development in all areas and is added in title VI of the bill. In other words, of the \$605,000,000 total reduction made in the Executive request for title I, \$550,000,000 is a cut and \$55,000,000 represents a shift out of title I to title VI. This has not been done to deceive the House in any way, shape, or form; which would have been the case had this amount been left in title I.

The reductions in title I consist of \$265,000,000 or 5.38 percent of the military funds; and \$285,000,000, or 17.01 percent of the economic assistance funds.

We will hear more later about the division between "economic assistance for defense" and "straight ERP" economic assistance. Such a division can be made, but it is arbitrary and unrealistic. I will have more to say on that matter later. However, if we assume this division for the moment, the cuts made by the committee in economic assistance in title I are even more revealing. Dividing this part of the original request on this basis, and the \$285,000,000 cut on the same basis, the 17 percent cut made in economic assistance would represent a cut of \$150,000,000 or about 14.96 percent

in economic assistance for defense and a cut of \$135,000,000 or 20.08 percent in straight ERP economic assistance.

What I want to impress on the House is that the cuts in title I—a most critical area of the world—are substantial from whatever point they are viewed. These reductions represent a judgment on what can be taken out and still have the program succeed.

In title II, Near East and Africa, no reductions were made. The committee increased the figure of \$125,000,000 for economic assistance by \$50,000,000 to a total of \$175,000,000. The \$50,000,000 increase was for relief and resettlement of refugees coming into Israel.

In title III, Asia and the Pacific, the committee made an over-all reduction of \$151,250,000, or 16.25 percent in the original \$930,000,000 requested. This represents a reduction of \$25,000,000, or 4.5 percent in military assistance, for which \$555,000,000 was originally requested; and a total reduction of 33.66 percent in economic assistance, for which \$375,000,000 was originally requested.

The economic assistance funds in this title were not cut across the board. There are two amounts to consider here: Economic assistance funds for certain countries in this area, but not Korea; and funds for a contribution to the United Nations Agency that will conduct Korean rehabilitation operations. The reduction in economic assistance for countries other than Korea was \$25,000,-

000, or 9.52 percent of the \$262,500,000 requested. The reduction in the Korean authorization was \$101,250,000, or about 90 percent of the \$112,500,000 requested.

I want to add a word on the reduction in the Korean authorization—the largest reduction we made. The reduction was made not because we believe Korea is lost, or because we are ready to have the United States wash its hands of the rehabilitation problem. On the contrary, the committee is fully aware of the magnitude of the task; it is fully aware that we have a share of the free world's responsibility to rehabilitate Korea. The committee is authorizing only 10 percent of the original request as a down payment at this time. We do not believe that the full amount requested is needed at this time. When the time comes, I am sure the House will take action suitable to the circumstances.

There are no reduction in title IV, the American Republics. The relatively small amount of money in this title was fully justified before the committee.

On an over-all basis, the reductions made in the bill represent a reduction over the original estimate of \$290,000,000, or 4.6 percent in total military assistance, and \$361,250,000 or 16.43 percent in total economic assistance.

We have tried to save money in this program; we have cut off from the lowest figure given us by the executive department all we thought we could cut off. From the standpoint of the United States, this cut was just as drastic as would have been the case had we cut \$5,000,000,000 from the defense and air base bill recently passed by Congress. One, in my opinion, is just as important as the other. The difference is that when anything comes up before Congress for the defense of the United States, we ask no questions. We are afraid we might make some mistake. To be sure we provide enough for the defense of our own boys in the service, we do not question the figure presented to us by the Department of Defense. We made no cuts in the military bills. The Committee on Foreign Affairs has cut the mutual security program on an intelligent basis.

Can further cuts be made in this program? My reply for two reasons is "No." The first is a personal one. If I had felt that further reductions were in order, I would have recommended them. The more important reason, however, is that I believe that further reductions will hamper the program.

Let us look through the program. The authorizations in the bill as it stands now provide for \$6,013,000,000 of military assistance, or 76.61 percent of the total funds in the bill. Of the \$6,013,000,000 for military assistance, about 91 percent of this, figured roughly, is for end-items—the actual fighting tools needed to equip forces. Seven and thirty-five hundredths percent is accessorial charges—the cost of getting the end-items where they will be used. This

means that 98.35 percent of the military assistance funds will be used to purchase hardware and get it to its destination. Training in how to handle the hardware takes up another 0.63 percent and the remaining 0.88 percent is for administration.

We will be told that this can be reduced because \$4,782,300,000 of funds already appropriated is still unexpended. I do not deny this. But let me remind the House that military equipment is not built in a day—it takes time to plan, design, and produce. And funds were required before this could be done. The \$4,782,300,000 represents equipment in the pipeline.

We will be told that there are funds still unobligated. That is true, too. But let us remember that the estimates we are working on have taken account of those funds.

What we are dealing with here is a problem of delayed impact. If we cut further now, it may not necessarily mean fewer guns to our friends in the next few months. But it will mean that our build-up is slower; the target dates of our military plans pushed back further. All of these points apply with equal force to our own defense budget. We can only spend about \$40,000,000,000 this year, and some of that is money we appropriated last year. But we voted about \$60,000,000 a few days ago—without reductions. Why should we think that on the same considerations over overseas defense is less in need of money than our forces at home?

There are many who are quite willing to vote military funds without change, but who with a clear conscience will vote to reduce the amounts for economic assistance in this bill on the theory that economic assistance is not as necessary as military assistance. This reasoning, too, is based on fallacies. One of the fallacies is that cutting further economic aid to Europe does not injure the military program; and that Marshall plan funds can be cut because ERP is in its last year and we should not assist any further in this respect. Another fallacy is that outside Europe, economic assistance is unnecessary and wasteful. In the principal countries of Europe, economic assistance has been programed as a part of the rearmament effort. This is the important point.

The task we have ahead of us—the Europeans and ourselves—is to produce as much military equipment as we can as soon as we can. Production requires plants, raw materials, tools, transportation, power, and a host of other essentials. It requires larger defense budgets, which leaves a corresponding lack of budget expenditure for other goods and services.

What we are dealing with here are the productive resources of the free world. We know from our own experience in the last war that while guns were vital, all the people, plants, and facilities from farm to front were equally vital. Production for defense requires them all.

Does anyone doubt that electric power was vital to the end result that produced an atom bomb? Does anyone doubt that a lack of freight cars could lose a battle? Let us remember that old homily of Poor Richard:

For want of a nail, the shoe was lost; for want of a shoe the horse was lost; and for want of a horse the battle was lost.

Under our urging, all of the European NATO countries have increased their defense budgets to the limits they can sustain. Even so, help is needed to keep the build-up going.

If we had all the time we needed, we might let Europe set its own speed. But there is an urgency about our security, one we cannot ignore.

If we reduce economic aid on the theory that it can stand it when military funds should not be touched, what do we gain? Nothing.

If for lack of economic support Europe cannot keep up its defense production and increase it there are only two choices; either we lengthen the time when we will have a minimum security—and thus further jeopardize that security—or in order to meet time limits we have set, we must produce—send more of our own arms abroad. If we choose this alternative, we make the worst possible choice. Europe can produce some military equipment cheaper than we can. Why should we not do all we can to assist her in this effort? If we do not, we simply push our own costs up higher. There is another important reason why it is in our interest to assist in building up European production. What we are aiming at is a build-up to a point where Europe can sustain a high level of defense production, at which point our aid can taper off sharply. If we do little to accomplish this task, we simply put the burden on ourselves. We will necessarily have to continue supplying military equipment at high cost if we want, as we do, to have a military force in being in the shortest possible time.

There are those who feel that economic aid is no longer necessary, because the Marshall plan is coming to an end. Still others feel that because it is tapering off, the European recovery program should be ended now, or at least drastically reduced.

During our hearings, we were told that if the rearmament program was not upon us, the request for economic assistance to Europe would only have totaled \$672,000,000. Some feel that, therefore, a division can be made between economic aid and old-type ERP aid. I submit that any such distinction is purely artificial. It is true that this figure includes some countries not now able to contribute to the rearmament effort. Some of these border on the iron curtain. They have not changed their location since 1948. The same strategic considerations that caused us to support them then are controlling now.

For the others, the distinction between ERP and aid for defense is artificial. All

the productive resources of a country must contribute to its national strength, which is what we are building. To make the distinction is to say to one's self "The head is the only important part of the body; cut off the middle." It does not make sense; neither does it make sense to dissect the total aid that is going to assist a total economic organism.

To those who are concerned that continuing economic assistance to Europe gives ECA a new lease on life, let me say that this bill abolishes ECA as an agency and terminates assistance under the Economic Cooperation Act on June 30, 1952, the date put into the law in 1948. The President recommended that ECA be continued indefinitely. We of the Foreign Affairs Committee feel that we should honor our pledge to Congress and the people. It will be up to the President to make recommendations before next June 30 on the kind of law needed to fulfill our security objectives so far as economic assistance is concerned.

This bill contains funds for economic assistance outside Europe. This consists of funds for economic development and technical assistance in the Near East and Africa, in Asia, and the Pacific, and in Latin America. This is not aid for military production, but it is just as important. These countries, particularly in the Near East, Africa, Asia, and the Pacific area are right at the edge of the iron curtain. They are high on the Communist list as hunting ground for subversion. Our assistance as designed to improve them at the grass roots level; to teach them how to use the tools that can give their existence a hope. In short, it is assistance to prevent Communist aggression just as surely as arms will prevent it in Europe. In Latin America, our assistance is paying off in more raw materials, and the things that are vital to us.

There is an additional reason why the funds in this bill represent a minimum program. A provision in the bill requires that of assistance furnished under the ECA Act, 20 percent must be on credit. This is a good provision; it is time our aid comes back to us. In round figures the amount of repayable aid will be about \$320,000,000. This certainly means that of assistance given on credit in Europe, these countries will be carrying heavy defense budgets and borrowing to help get the job done. I believe they can do it; but if we reduce the assistance further, we put an extremely heavy burden on them at a time when they are straining the most.

All of these programs—military and economic—are tied together. All are important to what we are doing in the world. I believe that the funds in this bill represent the minimum necessary for our ends.

Let me outline briefly to the House what this bill contains in fund authorizations:

A. Military assistance---	\$6,013,000,000
(a) End items-----	5,480,000,000
(b) Other military cases-----	533,000,000

B. Economic assistance--\$1,835,750,000

Point 4 program----	85,256,000
ECA aid in Europe----	1,287,000,000
ECA technical assistance in Europe----	20,000,000
ECA aid in underdeveloped areas----	255,436,000
Strategic materials development-----	55,000,000
Other expenses-----	21,758,000
Refugee programs----	100,000,000
Rehabilitation of Korea-----	11,250,000

2. Shown by title in the bill the figures look like this:

A. Title I—Europe:

Military-----	5,028,000,000
Economic-----	1,385,000,000
ECA aid in Europe----	1,287,000,000
Technical assistance in Europe-----	20,000,000
Other expenses-----	23,000,000

B. Title II—Near East and Africa:

Military-----	415,000,000
Economic-----	175,000,000
ECA aid-----	23,450,000
Point 4 program----	51,550,000
Refugee assistance----	100,000,000

C. Title III—Asia and Pacific:

Military-----	530,000,000
Economic-----	248,750,000
ECA aid-----	232,133,000
Point 4 program----	5,364,000
Korean rehabilitation-----	11,250,000

D. Title IV—American Republics:

Military-----	40,000,000
Economic—Point 4 program-----	22,000,000

It is obvious that in a world-wide program such as this, flexibility is needed. We must be able, within limits, to bring assistance to bear in any crisis that merits its use. Accordingly, the bill gives the President the power to transfer funds. In title I—Europe, the President may use up to 5 percent of the funds for military or economic assistance interchangeably. This is a special provision, for here the objective is clear—produce all the arms that can be produced. Elsewhere there is power to transfer up to 10 percent of the military funds or economic funds to different areas, but not to interchange these funds.

The third important question in this bill is whether the existing organization for conducting this program is adequate to the task, and if not, does the organization in this bill provide it?

I have given careful thought to this question, and so has the committee. Our conclusion was that the present organization is too scattered to do an effective job. The existing organization is a makeshift, based on the organization provided for three different programs at three different times. If our present program is to be effective, a new organization is needed.

The organization plan in the bill was drafted by the committee. We had the benefit of suggestions from the outside, but our working plan was developed before any of the other various plans was presented to us. The organization in the bill can be explained briefly. There is to be a single agency for the aid programs in this bill, headed by a Mutual Security Administrator, comparable in rank and salary to the head of an executive department. This Administrator will be appointed by the President and confirmed by the Senate. He will have a deputy appointed in the same manner, who will have the rank and salary of an Under Secretary.

The Mutual Security Administrator will administer the functions now being performed by ECA, the point 4 program, and certain of the functions of the mutual defense assistance program. The President retains certain essential powers given to him in the acts governing these programs.

Policy will be determined by the Administrator, but the Secretaries of State and Defense have full rights of consultation on matters that affect their responsibilities. If agreement cannot be reached, there is a direct route to the President who will make the decision.

Overseas, there will be a Mutual Security representative in Europe—a "theater commander"—who will direct the program in the area. Special missions are provided to reach country where they are needed. By this means, planning can take place at the source, and programs can be developed for final decision. Operations can proceed, all the way down the line from Washington on an efficiency basis.

The organization plan in this bill does not blanket in the present employees of all the agencies now working in these programs. By an arrangement, in the bill the Administrator and the Bureau of the Budget have a check on each other, a check designed to make sure that the Administrator will get only the right number, and the right kind of competent help he will need. This new organization will take over its duties 60 days after the act goes into effect, or sooner if possible. I believe that the single agency, as proposed in this bill, can do a better job than we are now doing with the present organization. The job to be done requires the best structure we can provide.

The new organization provided in this bill is not a slap at anybody. It is simply the product of the collective thinking of the members of the Foreign Affairs Committee that the job we should do abroad in our over-all defense program is one that can best be done by concentrating the power of distribution and control of military aid, economic aid, and point 4 under one head. The responsibility to the President, to the Congress, and to the people of the United States would be his. It is my belief that a central agency can best do the job, that it can save money for the United States and that fixed responsibility and

power will expediate what we are attempting here to do.

Ladies and gentlemen of the House, the bill before you today deserves your most thoughtful consideration. You are legislating for the defense and security of the United States. You are being asked to vote a program that is necessary to the preservation of the interests of the United States. No matter how much we may dislike it, we are living in a world that offers us no choice but to build our security on a worldwide basis. As Americans, we may feel that expenditures abroad yield little return to us. But if we think of foreign expenditures as a means of accomplishing our objectives, I am sure you will agree that it is cheaper than lives. We are already measuring in blood the cost of being a great nation. This program is an additional drain on our resources; that no man will deny. But can we hope to live in peace until we provide the means to insure that peace? In the past we have found that peace without strength is a false peace. We need to build our strength—as fast as we can—and this strength is the strength of ourselves and our friends in the free world. We do not control the timetable; for us the time and the task is urgent. Let us not lose sight of this fundamental fact. In the years to come there will not be a chance to say "We made a mistake; let us change our minds." We must make the right judgment now—so there will be no mistake.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. MILLER of Nebraska. Regarding the Secretary of State, I think provision for someone to handle this great spending is in order. But I notice on page 29, section 513, you put all of it back in. You say that nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State. All of the spending of these agencies will be under the Secretary of State. First, you took away the power, then you gave it back.

Mr. RICHARDS. Mr. Chairman, I decline to yield further. I yielded to the gentleman to ask a question. I will answer his question in due time. I do not want to take up valuable time others may desire to use.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Georgia.

Mr. COX. Are not their arsenals capable of being renovated so as to produce weapons?

Mr. RICHARDS. The gentleman is correct.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield at that point?

Mr. RICHARDS. I yield for a question.

Mr. MILLER of Nebraska. Does the gentleman know that the metropolitan papers carried a complete outline of all the foreign air bases a few weeks ago?

Mr. RICHARDS. No, they did not carry a full and complete outline. I do not mean to infer that the newspapers are intentionally inaccurate but some-

times the facts, as they report them, are wrong. The other day, while the mutual security bill was still in committee, one of the metropolitan papers said that the funds in the bill had been cut \$1,000,000,000. As the House can see, that was wrong.

Mr. MILLER of Nebraska. I am referring to our air base locations. They were all printed in the paper.

Mr. RICHARDS. I think if the gentleman will look at the list to which he refers, he will find a long list of air base locations—in the United States; I do not think he will find any mention of bases in any foreign countries.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. JOHNSON. Last summer I was over there for our committee studying the military assistance program. The very fact that those little countries like Norway, Denmark, Holland, and so forth, know that we have entered into a solemn agreement to protect them in case of attack has given them the courage to spend their money for arms and to make themselves as strong as they can; and I want to say further that every one of those countries is spending as much on the defense of their countries in proportion to their national wealth as is the United States of America.

Mr. RICHARDS. There is no doubt about that at all.

Mr. JOHNSON. They are that much better prepared if trouble arises.

Mr. RICHARDS. It is hard to realize the great moral uplift it has given to them. Before the First World War and likewise before the Second World War our efforts were directed at avoiding involvement. Today the situation is different.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. KELLEY of Pennsylvania. One of the purposes of the Marshall Plan was to stop the encroachment of Communism, which was done to a great degree. I wish to ask the Chairman with reference to these eligibility rules the condition that prevails over there now as to inflation and low wages, which is used as propaganda by the Communists; is there anything in these eligibility rules that is to be construed that all those nations must do something about their economic situation?

Mr. RICHARDS. They are already exerting a strenuous effort. The living standards of the people have not been raised over-all. These countries are trying to improve wage and other conditions at home. In the requirements written in this bill we are trying to encourage our friends to improve those conditions wherever possible, consistent with the whole effort of the rearmament program.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I cannot yield.

Mr. MILLER of Nebraska. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. May I suggest to the gentleman that when he seeks recognition he address the Chair?

Mr. MILLER of Nebraska. I did, Mr. Chairman.

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. RICHARDS. Mr. Chairman, I yield myself seven additional minutes.

Mr. MILLER of Nebraska. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

Mr. RICHARDS. Mr. Chairman, I have taken too much time already but I want to emphasize again the basis upon which this bill is presented. One of my very dear friends and an able Member of this Congress said when the \$56,000,000,000 bill was up for consideration: "Time is short; war is inevitable." I do not agree. I believe with General Eisenhower that if we can get one or two more years, the chance of war—started by the Communist countries—is very greatly reduced. But, remember, if we are not going to have war with Russia we must—and right now—continue to bolster the military and economic effort of friendly countries in other parts of the world. It will be the cheapest money we ever spent.

Let me repeat another point. About six-sevenths of this money is for military aid, most of it for end items. If any part of the funds in this bill is to be cut—and this is my solemn conviction—less harm will be done by simply taking the bull by the horns and cutting out the military aid.

But the House is not going to do that. The House knows full well that we need these people by our side; that there is no use of having raw troops marching about Europe without tanks, guns, and ammunition in support. The military forces must be real, effective fighting units. It is not the number but the quality that counts.

Mr. VORYS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, let us first remember what this is all about. It is about how to meet the grim and deadly world-wide threat of Godless, ruthless communism, and the reason I will not spend too much time discussing that threat today is because I believe you all understand that threat now, and the only question is how best to meet it.

Mr. Chairman, I am for this mutual security program for military, economic, and technical assistance to four regions in the world.

I was for ECA in 1948—temporary, emergency economic aid to those who help themselves, and each other, and us. I was sort of Republican House floor manager for the ERP. It has succeeded beyond our original hopes and promises in bringing about recovery in Europe. But times have change—and so has ECA.

I was for military assistance to Europe before President Truman was. I tried to get it in the ERP bill in 1948, but could not get administration support for it.

I was for technical assistance—export of American "know-how," and helped write the technical aid provisions in the Smith-Mundt bill passed in the Eightieth

Congress, long before President Truman made his point 4 speech in 1949.

I was for the package approach, bringing all our foreign-aid programs together, in 1943, when the administration and its columnists and commentators were against it, and said it was to delay and confuse, and the Eightieth Congress put through a package bill, including the Marshall plan, on time. The deadline was April 1, and the House passed it March 31.

PRESENTATION

When I was asked, over 7 months ago, about a package approach for foreign aid this year, I approved. Presentation was delayed, however, for nearly 6 months, and the hearings on this bill were the worst I have ever witnessed in 13 years in Congress, confused, poorly organized, not coordinated. It became evident that the lack of coherence in the presentation was symptomatic of the organizational confusion in foreign-aid planning and execution.

THE ADMINISTRATION PROPOSAL

The President and Secretary Acheson urged that this organizational monstrosity be continued.

First, ECA was to be made permanent.

Second, The head man over military and economic assistance was to be three layers down in the State Department, "exercising responsibility for the Government as a whole," to quote the Executive memorandum.

Third, technical aid, point 4, was to continue to be in the State Department, separate from ECA, which had its own technical-aid program.

COMMITTEE ACTION

What the committee did has already been sketched out for you. I want to pay my tribute to our chairman and our staff, who did a great job. Our new chairman is able, independent, fair, and square, a very tactful but tough American. He is an extremely stubborn man. He is so stubborn he even claims at times that I am stubborn, just to show you what I mean.

Anyhow, under his leadership, and with the committee and staff working night and day, we drafted the committee bill. It is strictly home-made. It may have its faults, but it is an example of legislating by legislators instead of by experts from the departments. Far from "rubber-stamping" the administration proposals, we simply stamped on some of them. We weighed and considered all the suggestions that come to us from any source, but the final product is truly a committee bill.

Instead of the administration proposal, the committee bill provides:

First, ECA is to wind up June 30, 1952, as per schedule set by the Eightieth Congress.

Second, a new organization is created under a Mutual Security Administrator, with independent status, to be appointed by the President and confirmed by the Senate, along with his deputy. Some people say this amounts to creating a second Secretary of State, but they are wrong. We already have two Secretaries of State, two advisers on foreign affairs to the President, Secretary Acheson and

Mr. Harriman, who has a growing office around him that numbers now about 19. So the new Administrator would at best or worst be only one of three. The administration feels that, for guidance on foreign affairs, two is company but three is a crowd. We did not follow this thinking.

I happen to look forward to the day when we will have all our nonmilitary foreign affairs concentrated in one foreign affairs department, whether it is called the State Department or not, instead of having 43 agencies involved in foreign affairs as we have at present, according to the Brookings Institution. But we can never do this under the State Department as presently constituted for two reasons: In the first place, they inherit the Hull tradition of not wanting to be an operating department. In the second place, the public does not want the present State Department to operate anything more.

In 1944 I offered an amendment putting the lend-lease administrator under the State Department. It was adopted by a teller vote. Secretary Hull's Assistant Secretary Acheson got busy and got the House to defeat the amendment on a roll call. I shall never vote again to put an operating agency under Mr. Acheson.

Third, we provided that, after his appointment, this new Administrator picks his own help. The present staff of these organizations cannot be blanketed in on him. We recognized that ECA has become just another agency, with the second team playing most of the positions. Practically no one except those connected with the present ECA and MDAP organizations praised their present administration. We did not want these 14,541 people forced on this new man. We even hope he can get along with less.

This personnel breakdown is as follows:

Agency	In United States	Overseas	Total
ECA.....	1,051	{ 1,264 2,011 }	4,326
MDAP.....	5,554	3,275	8,748
Point 4.....	619	3,194 848	1,467
Total.....	7,224	7,317	14,541

¹ United States.
² Alien.

In 1948 we authorized ECA to obtain a limited number of personnel exempt from civil service at salaries ranging up to \$15,000, because we felt they needed high-grade men in a hurry. In July 1948 these superdupers numbered 10; in December 1948 they numbered 18. In April 1951, with their big job in Europe almost finished, the number of superdupers was 43. It is our hope that the new Administrator may be able to do the job with a few less than that.

Fourth, we provided that point 4 is to go out of the State Department and into the new organization. We hope this will avoid rivalry, duplication, and confusion between our various technical assistance programs.

Fifth, we provided that the mutual security program must be reviewed, both for authorization and appropriation, every year, and the whole thing terminates in 3 years, June 30, 1954.

We cut the amount \$651,250,000. We provided, by adopting three amendments I offered, that not less than 20 percent of economic aid, or about \$320,000,000 must be in loans, pay-back money, and not less than \$500,000,000 in counterpart funds from economic aid must be used exclusively for military production, and earmarked \$55,000,000, taking it out of title I to promote production over the world of strategic materials in which the United States is deficient. These three limitations on grant aid, or give-away money, amount to \$975,000,000.

Of course, we may still spend this amount, but the United States will be getting a very definite return in repayment or security. If we add to this the \$651,250,000 cut, the reduction in authorization of the kind of spending that was proposed would amount to \$1,526,250,000.

THE RIGHT AMOUNT?

That leaves \$6,322,500,000 authorized on the basis originally requested. Is that the right amount? I am not sure. I have told you what I thought of the hearings. As our committee report says on page 15, the country-by-country testimony was unsatisfactory, fragmentary, and secret. The whole basis for economic aid was on guess-estimates based on projected balances of payments, and we were given secret tables where we were informed plus means minus and minus means plus. You will find an explanation of these secret tables in the hearings. We never received, as in former years, a statement of what each country needed from the dollar area or what the ECA intended to do with the money. On their over-all nonsecret figures, there were discrepancies. For instance, Mr. Richard M. Bissell, Jr., Deputy Administrator of ECA, in his estimate of increased dollar imports needed for Europe this year—a most important item—made three mistakes and finally wound up by saying "\$500,000,000 was a mistaken figure." Look at the hearings on page 1267 and see what he really meant. I have not yet been able to find out.

In our committee report on page 15, there are estimates of eight to nine billion in proposed NATO defense budgets for the fiscal year 1952. What we did was simply to combine two separate estimates which we received, which were nearly \$1,000,000,000 apart.

General Scott, Director of the Office of Military Assistance in the Defense Department, could not bring himself around to answer what "excess" equipment the armed services expected to have on hand. Although he was asking authority to dispose of an additional \$450,000,000 of it—hearings, page 711. The answer was sent up 4 days later—hearings, page 702. General Scott gave us figures on shipments of military materials which were different from any we had received. We wanted to know how much stuff had gotten over there because the European nations have, perhaps justly, been discouraged because they hear of the vast

appropriations by Congress, and do not see the stuff being shipped into Europe.

Only \$833,733,742 had been paid out of the Treasury for military aid up to June 30, 1951, out of \$5,794,300,000 appropriated for the purpose by Congress. We wanted to find out how much had been shipped. General Scott gave us figures that varied from what we had heard. Mr. O'Hara, Budget Officer of Foreign Programs, from the Defense Department, in order to straighten this out, said on July 20 that the amount of shipments for June was \$400,000,000—hearings, page 724. We found later that the correct figure was \$108,400,000. Here was a misguess of \$291,000,000 in 1 month's shipment. Time and again it was obvious that the witnesses either did not know or would not tell about their program. Although there were usually 12 to 20 departmental people in the hearing room, Army, Navy, Air Force, State Department, ECA, and so forth, we often could not get answers to simple, fundamental questions from anyone present. I, therefore, cannot defend all the details of this program. I do not think the committee amounts in the bill are sacred. On the other hand, I doubt whether anyone outside the committee here on the floor, knows as much about the program as we do. I have noticed that it is always easier to cut a program you know nothing about. I think that we ought to go cautiously about cutting limitations in this authorization bill, and leave the Appropriations Committee a little work to do, when the program comes before them.

I do know this, however. Military assistance to those who will fight on our side in this struggle with communism is sound economy. In our big \$56,000,000,000 appropriation of last week, we had \$20,000,000,000 for the Army. We have a ground force of 1,500,000 men. The \$7,800,000,000 program proposed in this bill together with what other nations will do for themselves will put 3,000,000 equipped men in the field. That means for about \$20,000,000,000 in round figures, we will get 1,500,000 American ground forces ready to fight, and for \$7,800,000,000 we will have 3,000,000 men of other nations overseas ready to fight for their country in our common struggle against the common foe.

Mr. Chairman, for 2 years I have kept asking myself about NATO, have they got a plan? A practical plan for defense against Russian aggression now and later? After hearing General Gruenther and the others, I believe they have a plan that will work. Have these other nations the will to fight? I think so. I know that without arms and without a plan, they will not fight. When we give them arms and a plan, we help to create the will to fight.

I know that economic aid for military production abroad is economy for us, compared to producing it all here and sending it over. If the French can make a bazooka out of \$15 worth of materials and it costs us \$75 to make one, we had better help them make bazookas for themselves.

I know that technical aid, if wisely planned, is action for making friends for

America that is more effective than words about America over the radio or in print, and it is no more costly than the Voice of America program.

A lot of Members have been planning all years to balance their own voting budgets by voting against foreign aid. This may prove embarrassing. I remember a reversal of votes on military aid right after Korea. If an attack somewhere else occurs during the present year, another reversal of votes may be hard to explain. We need a foreign-aid program of the proper size to be effective. We cannot rely on other countries to fight communism without our help, and no one of you should rely on other Members of Congress to vote the necessary help.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Mississippi.

Mr. COLMER. I wanted to ask the gentleman a question a moment ago to clear up a point, but I did not get a chance. The gentleman from Pennsylvania [Mr. KELLEY] asked the chairman if there was anything in this bill that would require those countries over there, in substance, to raise their standard of living, to pay increased wages, and so on. Is there anything in this bill that would permit directives to be issued or strings tied to this that would require the economy of those recipient countries to pay better wages and improve conditions?

Mr. VORYS. No. We are up against the proposition that we are dealing with independent sovereign nations, and we can suggest and push and coax, or make conditions on our aid, but there are a lot of things that we cannot require. That is the situation we are in.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(Mr. RICHARDS asked and was given permission to revise and extend the remarks he recently made.)

Mr. RICHARDS. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. RIBICOFF].

Mr. RIBICOFF. Mr. Chairman, the blunt fact is that the United States no longer finds its own security within its own borders. This bill not only brings forcefully home to us that security is indivisible but that our responsibilities and problems as a Nation are here for a long stay. The strength and will of our allies and the aggressiveness of our foes are conditions that we must recognize. We must so act and conduct ourselves that all potential foes will realize that they cannot defeat us. This type of strength is the greatest deterrent to war. We should not underestimate ourselves nor allow the possible ending of the Korean conflict to lull us into slumberland about the prospects and needs of the immediate future.

We are dealing with a relentless and calculating foe, a foe which never lets up in the pursuit of its aims and which utilizes every fresh crisis as a screen to mask the next aggression.

When we headed off the Communist threat in Greece and Turkey and set in movement measures which ultimately became the North Atlantic Treaty or-

ganization, Russia, in order to prevent this consolidation, probed for new points of attack.

Only a short time ago American eyes were wholly fixed on Berlin where the magnificent airlift succeeded in breaking the Russian blockade of the German capital. Our concern over this impertinent misuse of Russian power blinded us to what was going on in China. When the Security Council finally settled the German crisis, we awoke to the fact that 400,000,000 Chinese were under Communist domination.

Since mid-1950 our country's attention has been focused upon Korea. The invasion of the southern portion of that peninsula by northern troops revealed our own plight. We found ourselves relatively defenseless and faced the urgent need of rearmament. With almost no hesitation, we sent armed forces to spearhead the United Nations forces to meet the unprecedented challenge. And what was Russia doing meanwhile? Using Chinese and other local armies, she absorbed Tibet, threatened Nepal, fanned rebellion in Burma, Siam, Malaya, Indonesia, and Indochina; while a Communist-led party in Iran threatens the whole Middle East.

Nor is this all. While Russia is our immediate enemy, the whole world balance is in a precarious state. The fact is that we are living, not in a moment of crisis, but in an age of crisis. During the last 50 years, there has hardly been a day without warfare—somewhere or other. Therefore we should adjust our minds to this and not regard the present situation as an interruption to our normal peaceful existence. We should live expecting crises, and be prepared to meet them.

We have a global problem on our hands. And it is heartening to know that—even belatedly—we are formulating a global policy to deal with it. Let us count our successes where we can. The Kremlin has not entirely monopolized the initiative. Our own Congress has a considerable record of action behind it. A swift glance at all the steps we have already taken may embolden us to proceed even further.

Only 10 years ago the United States could be counted the world's hermit, many of us convinced that international affairs were none of our business. Today we have fashioned, or find ourselves parties to, nearly a dozen instruments of common defense.

First. We strengthened our relations with Canada and created the Organization of American States in our immediate hemisphere.

Second. We built the North Atlantic Treaty Organization. Greece, Turkey, West Germany, Yugoslavia, and Spain can be considered military associates.

Third. In the Far East we are preparing a pact with Japan.

Fourth. A watertight American-Philippine understanding.

Fifth. A unilateral promise to share the defense, along with Nationalist China, of the island of Formosa.

Sixth. Pacific security treaty with Australia and New Zealand, not yet signed or ratified.

Seventh. A sort of partnership in the United Nations guaranty to defend South Korea.

Eighth. In addition, the United States has approved the efforts of President Quirino, of the Philippines, to create an Asian defense pact with like-minded countries, such as Viet Nam, Siam, Burma, Free Malaya, India, Pakistan, and Indonesia, if they so choose.

Ninth. Furthermore, the United States is directly aiding the French Union—French and Viet Namee together—to defend Indochina, is arming Siam, and would presumably assist the British in Malaya in case of outside attack.

This network of commitments and responsibilities has still not been entirely implemented. It is not yet militarily adequate. There remains plenty of work still to do, for it is more than ever evident that the U. S. S. R. can at any time or at any point around the globe launch an attack against some free country, either from within or from without, or from both. Most of us have come to know that danger to one is danger to all. Hence, there is urgent need for the present security bill.

Our Nation has to keep in mind always the peculiar position of the United States as the one great source of military, political, and economic strength for the entire free world.

Because of our geographical position and interests in both the Northern and Western Hemispheres and between the Atlantic and the Pacific, we must keep in balance our policies as to Europe, Asia, and the Americas. We cannot separate our world relations and responsibilities and treat them separately from one another. A commitment in one area must not be permitted to endanger our capacity to act in others.

We cannot unilaterally promise each nation and each segment of the globe that we will defend it without getting in return its promise to help us when necessary. Since defense, moreover, is global in scale, we must have commitments from those with whom we are allied to help us in the other areas of the world.

The proposed bill is more truly reciprocal than many so-called reciprocal agreements. Section 508 of H. R. 5113 definitely sets out the conditions which we expect our allies to fulfill. These are not onerous. There is no reason why they should not be fulfilled in order to strengthen the security of the United States, the free world, and make possible the promotion and maintenance of world peace. Those countries receiving assistance in order to further military effort should have no objection to agreeing as follows:

First. Fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

Second. Make, consistent with its political stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world; and

Third. Adopt all reasonable military, economic, and security measures which may be needed to develop its defense ca-

pacities and to insure the effective utilization of the economic and military assistance provided by the United States.

The same conditions should not be applied to those nations receiving only economic or technical assistance. However, I am sure that every such nation will not hesitate to assist in the security of the United States and the promotion of international understanding and good will, the maintenance of world peace, and eliminating causes of international tension.

This aid is not a gratuity. We should never forget how much we stand to benefit by it. We are not playing Santa Claus, or planning a crusade to save other peoples. We are saving ourselves by accepting the cold fact that it is better to defend our own territory as far away as possible.

This is surely more logical than postponing our defense until bombs begin dropping on Hartford, Detroit, or Washington.

First. The proposed bill aims first at building up military strength. Truce talks in Korea have proved once again that we can only successfully negotiate from strength. Any unpreparedness or weakness is an invitation to more aggression. If we want to sit down to talk with Stalin we have to hold a very strong hand.

Second. Secondly, the bill aims at organization not only of our productive might but that of Europe. Much of our aid to our associates will consist of matériel and training. We can turn out war goods somewhat better than they can, and General Eisenhower's efforts to create a unified European army with standardized weapons and equipment will lighten the task for our highly developed mass production. But in appropriating this great amount we should realize that dollars alone are no defense. Unspent money will not increase our war potential. The sum we vote must be translated into tanks and planes and guns and men to use them before it can be considered effective. At the present time, in my judgment, we should be pushing our defense needs way ahead of our civilian needs, and we should be urging Europe to do the same. Time presses. We should aim at reaching our peak of production as soon as possible, not 2 years hence. Do not let us hide behind the excuse that existing models can be improved. Every model can always be bettered. But we cannot afford to be perfectionists; we need those guns now. Once we have them, when we feel relatively safe, then we can level off and begin to think about increasing civilian commodities.

Not to do this is to talk like a globalist, but to act as an isolationist. We know that our national security is bound up with the security of the rest of the world. Europe and Asia are both threatened. If they were attacked they could be overrun before our help—at its present rate of production—could get into the field. What we need is more strength in being.

While the United States once again becomes the arsenal of democracy, it would be sheer folly to overlook the mil-

lions of stalwart men who inhabit the still-free countries. Outside the United States is a pool of military power which, if we can but succeed in increasing its potential, will outmatch that of Russia and her satellites. Together with us, these peoples still wield almost 70 percent of the world's potential strength. This we should utilize, and make it real and actual.

We can buy abroad more defense for less money. European and Asian armies cost less per division than American. And European-made matériel can be produced for less, too. This bill, in its economic phases, encourages defense production abroad. In Asia, by giving arms to Indochinese, Siamese, and Japanese, we are creating local defense in areas where it is inadvisable to commit our own Armed Forces. We are preparing second-string teams to match the second-string teams of Stalin's satellites.

Third. Finally the present act aims at strengthening the will of our associates. It will be a powerful builder of morale.

One of our great problems is the exercise of wisdom and patience in bringing our allies along toward strength and at the same time making sure that they do not lose all independence of action through lack of will. All the present evidence is to the effect that this problem is on its way to solution.

I know that world leadership is none of our seeking. We did not want it. But we have accepted it, and we must cease dismaying those on whose help we have to count. A bill such as the one we are discussing—bringing together, as it does, our various foreign-aid programs—will dispel the doubts of those who should be our unwavering partners. The proposed aid is both military and economic.

It is necessary to spend on both levels, for we are forced to consider problems of international economic development even while we are primarily concerned with national security.

So far we have, in large part, concentrated on economic aid, and principally to Europe. There the Marshall plan goals have been substantially achieved, and we can count on intervention a success. This plan was not a purely altruistic undertaking. No country can afford to forget its own interests. We should be doing less than our duty if we overlooked ours. Our concern over Europe's recovery was not merely to rehabilitate these countries, but to restore to solvency our own very good customers.

We would indeed be blind if we failed to recognize the volatile awakening of the Asiatic peoples. The problems of the world's hunger, increased population, ignorance of agricultural production, the drive to economic nationalism, and the draining away of resources must be spurs to our action. These vast millions of people are a potential force which may be constructive or disruptive depending in large measure on how we handle not only the menace of Soviet imperialism but world cooperation and rehabilitation.

Now our economic aid is needed to develop living standards in Asia, again not as a humanitarian gesture—this is no do-

gooder scheme—but as a matter of sound business and national self-interest. Let us look at the facts.

There is a definite relationship of our national security to international development. The United States with 6 percent of the world's population, and 7 percent of the land area, before the last war produced one-third of the world's manufactured goods and one-third of the raw materials. This balance has been displaced so that today, while we produce 50 percent of the world's manufacturing capacity our raw material production still remains at one-third. Our present plans call for an increase of more than 20 percent of our manufacturing capacity by 1953. Where is the raw material to come from? We need raw materials to supply our expanding production. Seventy-three percent of strategic and critical materials such as copper, lead, zinc, tin, manganese, cobalt, nickel, bauxite, natural rubber, wool, and others come from the so-called underdeveloped areas. We depend on mutual cooperation for the very life of our Nation. So primitive are the methods used in agricultural and resource development throughout the world that the sources of supply are inefficient, insufficient, and expensive. If we can help them with improved methods and simple machinery in order to allow them to produce more skillfully we are serving our own ends by helping them and in so doing we do not have to fear the future competition of cheap labor. It is our labor which is cheap, not theirs. Production under our efficient technology so far outstrips that of the industrial beginner that we do not have to fear and hinder their development. In the Asian wheat fields and rice paddies it takes 20 men to do what a single American farmer does so that their wheat costs much more in the world market than an American farmer's wheat.

And as we spread economic development through the world we shall be creating a vast body of consumers who will begin to take up the slack of some of our own prodigious output, if, and when, ultimately, peace comes. We must think of the voracious appetite of our own industrial plant. And we shall find, as we found in Europe decades ago that the more a continent develops itself industrially, the better a customer of ours it becomes. It is a comforting thought that we can contribute very definitely to the defeat of communism and at the same time provide a solution for a problem that is bound to plague us in the future.

The point 4 program will not only transform the economies of backward countries. It offers something concrete for America. It gives us opportunities for showing the peoples of Asia what Americans are really like, what our real intentions are. The insidious charges of capitalistic materialism will wither away once we show that under our free-enterprise system we are willing to work along with them, live with them on their level, get to know them as human beings. It will provide tasks—and glorious tasks for our young men and women. So many of them crave a cre-

ative outlet for youthful idealism, and would gladly dedicate a year or two in this service to civilization.

There are those who imagine that economic aid alone would have been enough to meet the threat of communism. But on this score we must reexamine our premises. Admittedly communism thrives on want and misery. But want and misery alone would never have brought us to the present sad pass. It is primarily the Red armies, not the exploited masses that have spread Communist tyranny. Raising living standards alone does not stop communism.

Furthermore, we should understand that in certain cases, and notably in Europe, economic aid can no longer raise standards unless there is military security as well. Runaway capital is not going to return to a house on fire. If brought back, it will not be invested. Men are not going to work harder for the sake of a future that, in view of the Red hordes poised on their frontier, they find it difficult to believe in.

At present, both in Europe and Asia, military security must bolster economic improvements. Ultimately both must come out of the increased productivity of these continents. A relatively small increase in the per capita output of European workers could bring an annual total production to a hundred billion dollars more than at present. Out of this extra hundred billion dollars Europe could not only raise the standard of ill-paid workers but could arm herself amply at the same time. Yet until this is accomplished, we shall have to fill some of the breach.

Gentlemen, it is said that we have no foreign policy; and sometimes our hesitations and apparent contradiction seem to justify this view. Yet it is essentially false. Since 1946-47 we have developed one of the boldest foreign policies ever undertaken by any country.

Against an adversary aiming at world domination we have moved steadily toward world-wide defense. Not because of any global mania on the part of our leaders. But because we refused to see the world power balance shifted to our detriment, to a point where not only we should be compelled to succumb or fight, but where we could no longer be sure of final victory.

We have acted in sheer self defense.

Yet, in the long run no purely defensive policy is good enough to win with. We must aim not only at saving what is still ours to save, but at solidifying the doubtful areas and eventually liberating all those peoples upon whom outside communism has been imposed.

To succeed in this, we must not only accept and strengthen allies wherever they emerge, but we must set ourselves for the long hard pull at home. No matter how much we may kid ourselves—one thing is certain. We are not going to be able to do it cheaply or easily.

But material sacrifices alone are still not going to be enough. As a people we shall have to concentrate our attention, our energy, our genius, our capacity for free cooperation on the major task before us—and keep them there. We shall have to put the saving of our country

and our freedom above all other pursuits and personal matters. Above all we must be prepared to persist, undeterred by small successes or failure, month after month, year after year, until we reach our goal.

That goal is not military victory. We seek to achieve our ends without any third world war. We seek a world that is no longer an armed camp living under the menace of atomic extinction. A world of material benefits, yes. But above all where the accomplishments of the spirit can flourish as never before.

Mr. Chairman, I would now like to take the time to answer some of the questions that have been raised so far in the debate on the rule and in the committee.

The first question I would like to answer is the one just raised by the distinguished gentleman from Mississippi [Mr. COLMER]. The Marshall plan has not resulted in raising the living standards of the average worker in the European countries. This is a potential disaster, it would seem to me, because there is not any sense in sending guns over to Europe if we end up finding Communists behind the guns instead of the people who dislike communism.

I do not agree with the gentleman from Ohio [Mr. VORVY] that this bill does not allow something to be done in the economic field. Section 508-3 of this bill specifically provides that those countries enter into agreements with the United States in which they provide to adopt all reasonable military, economic, and security measures which may be needed to develop its defense activities and to insure effective utilization of the economic and military assistance provided by the United States.

It would seem to me, I would say to the gentleman, that if you break down the spirit and the will of the great masses of people all over the world, you are hurting the military efforts of this program and hurting the security of the United States. I think the time has arrived to put some mutuality into this program and to make sure that these European countries undertake some tax reforms, that they undertake to reform some of their wage schedules, to make sure that some of the funds we are giving trickles down to the great masses of people in Europe, and to try to see that their living standards are not completely snowed under by the steam roller of military production. I think, I would say to the gentleman, that that is provided in section 508-3 of this bill.

Mr. COLMER. I appreciate the gentleman's answering that question, but do I understand now that under this bill the Administrator can tie strings to these loans, grants, or whatever they may be called; that will require those people of those countries to handle their economy any differently from what they want to?

Mr. RIBICOFF. There seems to be some misunderstanding concerning the nature and purposes of the recently announced production assistance drive which ECA is starting in Europe. Specifically, it is reported that some people are concerned that ECA is proposing to interfere in an unwarranted manner in

the domestic affairs of the European countries by trying to force private concerns to raise wages, whether or not their financial position could support the increased charges.

This sort of action is not at all what ECA has in mind. What they are proposing to do is, through a stepped-up technical-assistance program, to make a greatly intensified attack on low productivity and inefficient methods in the participating countries. ECA's experience in Europe has indicated that there are great potentialities in this area which, if properly developed, can bring about a very substantial increase in total production. If these potentialities can be realized, the increased production will materially strengthen the economic base of the participating countries. This would enable them to carry more readily the increased military burdens they are assuming and to do so without a serious decline in the standards of living of their people, which would increase the danger of internal Communist subversion.

It is important that the benefits flowing from this program be spread as widely as possible so that the increased production and efficiency will produce not only higher profits for owners of business, but also higher wages for workers and lower prices for consumers. This is especially true because one of the great weaknesses in certain of the European countries has been the fact that high prices and low wages place many of the lower-income groups in very difficult circumstances and thus make them highly susceptible to Communist propaganda.

ECA is, therefore, working in cooperation with the governments, management, and labor in the participating countries to attempt to achieve both higher production and greater efficiency and also an adequate spreading of the benefits which will flow from this program.

Mr. COLMER. I appreciate that and I do not want to take too much of the gentleman's time, and he is very generous about it, but does the gentleman think that we should pursue that policy of telling these people how they have got to manage their economy?

Mr. RIBICOFF. To a certain extent, yes; and I will give the gentleman an example.

Mr. COLMER. Then, do we not lay ourselves liable to the same charges that we make against the Communists, against the Socialists, and others?

Mr. RIBICOFF. I do not think so, I may say to the gentleman.

Mr. COLMER. I think it is a very wrong policy.

Mr. RIBICOFF. Permit me to point out that the Bell report came out last year indicating the almost complete economic and financial disintegration of the Philippine economy. The United States is vitally interested in keeping the Philippines a going concern. Because of our great responsibility in the Philippines we are pledged, and we have agreed, to give substantial aid and will in the future. But because of the disintegration of their fiscal policy, their

economic policy, their tax policy, the Philippines were about ready to disintegrate. The Bell Commission conducted a study, and made certain recommendations. That does not mean holding a club over these nations, but we are telling them that we can expect and do expect that if the taxpayers of the United States pay out of their taxes and our funds enough money to get these programs going, the least we can expect is certain tax reforms to make sure that those nations which are able will agree to pay their fair share of keeping the military and economic policies of those nations going.

It is not a question of telling a nation what type of government it has got to have; because I will be frank with the gentleman, we contemplate in this bill helping every conceivable type of government. You have Tito in Yugoslavia, a Communist at one end of the line, and you have Franco of Spain at the other; in between you have Socialist England, you have monarchies, you have democracies, you have Socialistic governments. The United States has got to recognize these diversities all over the world. It is not a question of telling a nation what kind of government it has to have, but an expectation that they will undertake reasonable means to make sure that they have a viable, going government that will keep their own nation on an even keel while they are building up their own defenses—and the security of the United States too.

Mr. COLMER. One more question, if the gentleman will permit, on that point: Specifically, the gentleman from Pennsylvania was interested in knowing, as I got it, whether there were to be wage reforms, and so forth; and I got the impression from the chairman's answer that there were. I make the point, whether rightly or wrongly, that this country has no right to tell these other countries how they shall manage their economy; and to do so we lay ourselves liable to all kinds of charges of dictatorship, and imperialism, and what have you.

Mr. RIBICOFF. I may say to the gentleman, and anyone who has studied the subject will tell him the same, that this country will continue to exercise its responsibilities in a nonimperialistic way in one of complete cooperation and agreement for the benefit of all concerned.

I would say to the gentleman as long as I have sufficient time, and if more is yielded to me, I would like to explain various phases of this bill where questions have been raised and there were a number of questions.

Mr. MEADER. Mr. Chairman, if the gentleman will yield, I wanted to ask a question at this point.

Mr. RIBICOFF. Suppose I try to conclude with some of the other questions first and then I will come back to the gentleman from Michigan and take up his question.

Mr. GROSS. Mr. Chairman, will the gentleman yield for a question on this very point?

Mr. RIBICOFF. No, because I have just refused to yield to the gentleman

from Michigan. I will yield to the gentleman from Iowa later if I have time.

A question has been raised about section 513, the functions of the Secretary of State. It was said that you, meaning the Foreign Affairs Committee, have set up an administrator. Why section 513 where you say that—

Nothing contained in this act shall be construed to infringe upon the powers or functions of the Secretary of State.

I say to the membership of the House that section 513 cannot be read by itself. Turn to section 503 of the bill, which sets up the principle that we are operating a coordinate system. This bill puts certain duties on the Secretary of State, the Secretary of Defense and the Administrator. I think that all of us in this House are responsible enough individuals to realize that when we are talking today about great principles and setting up an organization to handle them you cannot interpret it in the text of the personality of a Secretary of State that you may or may not like.

We are today passing a basic law that will apply to a President in 1952, whether he be Democrat or Republican, we are passing a law that applies to a Secretary of State, whether he be Dean Acheson or any other successor in the future. We certainly have a responsibility as Members of this House not to take out personal spite or personal spleen against an individual on basic policy.

Basically and legally the Secretary of State of the United States is responsible for the foreign policy under the direction of the President of the United States. Certainly in setting up an administrator here, we have no right to impinge or infringe the duties of the Secretary of State. This act setting up the Administrator provides that in the field of foreign policy, if there is any question of difference between the Secretary of Defense, the Secretary of State or the new Administrator, it then becomes most important that that question be decided by the President of the United States who has the duty to carry out the foreign policy of the United States.

A question has been raised also about the matter of \$85,000,000 approximately for point 4, the statement being made that this is "do-good" money, this is money that goes down the sewer, this is money that brings back no returns whatsoever. But strange as it may seem, the so-called point 4, to those who like to value themselves as hardheaded, practical men, eventually may be one of the most important parts of our American policy.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. MANSFIELD. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. RIBICOFF. Mr. Chairman, let me explain why. You know the time may very well come soon that the United States in the wealth of its productive capacity might find itself drowned in the production of its own goods. Before World War II the United States produced one-third of the industrial production of the world and one-third of the raw ma-

terials of the world. At the present time, the United States produces 50 percent of the industrial production of the world and still one-third of the raw materials of the world.

It is proposed under our basic scheme of production that that even be increased 20 percent. To realize what an increase of the present productive capacity of the United States would be if increased 20 percent, take an example. England, a great industrial nation from its inception until today, its entire productive capacity, out of the lines of the factories of England, is not the equivalent of what a 20-percent increase would be in the productive capacity of the United States by 1953. This great industrial machine of the United States at the present time gets 73 percent of its critical materials from abroad. What is going to feed the pipelines of American industry? Where are we going to get the difference in lag between that one-third in our raw material supply to a question of approximately 60 percent of the world production of industrial goods? The only place you can get it is by making sure that the backward areas of the world are so developed that they will produce the raw materials that will come in to feed the industrial machine of America, and also by raising the living standards all over the world we make it possible to have customers who can buy the production of the United States. If peace should come, the United States may find itself with approximately \$60,000,000,000 of excess productive capacity, and those of you who are the hardheaded men and who want to figure this thing out for the benefit of the United States, keep that in mind, because that question is here, and the United States is no longer completely independent from other sections of the world.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Michigan.

Mr. MEADER. In connection with the inquiry of the gentleman from Mississippi [Mr. COLMER], I was reminded of the articles which appeared in the press recently that certain individuals in ECA are planning to establish an international reconstruction finance corporation to make direct loans to business enterprises in foreign countries, and that they propose to attach as strings to those loans, first, that the profits of those concerns shall be kept low and, second, that the wages of those concerns shall be kept high. I wonder if the gentleman could inform us whether there is any responsible thinking in that direction in the ECA or whether that kind of a program, if it is in the minds of persons in the ECA, would be possible under this bill.

Mr. RIBICOFF. I will say this: I do not recall any testimony along that line before our committee. If it was presented, I might have been absent, but I think I attended those hearings faithfully and regularly. I read the same article that the gentleman read in the New York Times.

I would say this: The gentleman from Ohio [Mr. VORYS] wrote an amendment

in his bill requiring that 20 percent or approximately \$320,000,000 of the economic aid would go in the way of loans. Now, I suppose if those loans were made, they would be made on the basis with some strings attached and I, for one, would hope there would be some strings attached because the hearings disclose, and I think the gentleman from Massachusetts [Mr. HERTER], who was over there with the subcommittee and studied the question of the economic restrictions and the choking of the industrial machinery of France and the European countries, will explain it to the House. What most Members do not realize is that capitalism as we know it in the United States is unknown to most other countries in the world. Capitalism in the United States is a responsible capitalism. Capitalism in the United States goes by the philosophy to produce as much as you can at a small profit and pass it along in increased productive consumption all over the United States and in high wages to bring back a fair return, a fair wage, and fair profits to all our people.

But in all European countries the philosophy is different. It is a philosophy of scarcity; it is a philosophy to produce as little as you can, at as high profits as you can, and the devil may take the great mass of the people in the nation, and the devil may take their nation, and the devil may take anyone except the entrepreneur who is running on an antiquated philosophy of a capitalism that we in the United States have rejected long, long ago. I, for one, would hope that such conditions were attached to make sure that these people revise their own standards because I am a great believer in the capitalistic system as run in the United States. If we had responsible capitalism in every nation in the world, and in Europe—and do not worry about the label—we would have the greatest “stopper” to communism that has ever been conceived because Marx, in his Manifesto, when writing about capitalism, could not conceive of American capitalism developed on the American model. United States capitalism has brought great benefit to all mankind and great benefits to the people of this country. Communism could not hope to bring the equal and if we could get some of our philosophy across to the Europeans, it would redound to the benefit not only of the United States but to the entire world.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Iowa.

Mr. GROSS. I believe the gentleman said that this bill provides for economic assistance to Yugoslavia and Spain.

Mr. RIBICOFF. The bill is broad enough to encompass that. The bill does not provide for specific items of aid to any particular country except with respect to the Palestine refugee problem and the Israeli refugee problem. Outside of that the sums are en bloc to certain areas where the aid can be given to certain areas, but they are not specific.

Mr. GROSS. It is contemplated money will be spent in those countries; is it not?

Mr. RIBICOFF. I would answer the gentleman in the affirmative.

Mr. GROSS. Yet we find on page 25 language designed to say that there shall be greater freedom and justice, land reforms, and tax reforms, I believe the gentleman mentioned a moment ago. What I am wondering is, just how contradictory can you get.

Mr. RIBICOFF. I do not think there is any contradiction. This has to do with military assistance, to further the military and economic security measures. I do not think there is anything inconsistent in those provisions at all. I do not think the United States is going to try to change the system of government of any nation in Europe or in Asia.

Mr. GROSS. I do not think we should, either, but I think there should be mandatory language in a bill of this kind, where we are giving cash to these countries, that they be compelled to raise the standard of living in those countries. I do not think you can do it through tyrannical dictatorships, the form of government such as you have in Yugoslavia.

Mr. RIBICOFF. In the field of dealing with sovereign states the word “compel” is a word that would hurt and not help. I am hoping that with these conditions in here there can be some discretion on working this out on the basis of mutuality.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Alabama.

Mr. ELLIOTT. I believe that the gentleman stated that this bill contains an authorization for \$85,000,000 for the point 4 program for the next year. How much money did we actually spend last year on the point 4 program?

Mr. RIBICOFF. Last year we authorized about \$34,000,000, approximately, and I believe that amount was spent. The gentleman will not find the \$85,000,000 segregated in this bill, but throughout the bill in the economic assistance for the different areas. The amount to be spent in the so-called point 4 program totals \$85,256,000, which, in my opinion, is one of the best investments the United States could possibly make.

Mr. ELLIOTT. I want to ask the gentleman a question about that. Has the experience we have had in the first year, or whatever period we have operated point 4, been fruitful of good returns to our country, in the gentleman's opinion?

Mr. RIBICOFF. I would say absolutely. I would commend to the gentleman the reading in the record of the testimony of Dr. Bennett, who is, I would say, one of the outstanding Americans, former president of the Oklahoma Agricultural and Mechanical College. His testimony goes completely into the entire point 4 program. Dr. Bennett was a breath of fresh air. The benefits that have come from that program are so amazing for the cost that is invested that it would make you proud that there are Dr. Bennetts in the United States

who are undertaking this program with enthusiasm and cooperation.

(Mr. RIBICOFF asked and was given permission to revise and extend his remarks.)

(Mr. GORDON (at the request of Mr. MANSFIELD) was given permission to extend his remarks at this point in the RECORD.)

Mr. GORDON. Mr. Chairman, I rise in full support of H. R. 5113, the mutual security program for 1952. Generals Eisenhower, Marshall, Bradley, and Gruenther—all of them great soldiers and leaders—consider this program as part and parcel of the national defense program of the United States. I concur wholeheartedly in that view.

I had the privilege of serving on the congressional study group, made up of members of the Foreign Affairs, Armed Services and Appropriations Committees, who visited Europe last June at the request of the Department of Defense in connection with our consideration of the mutual security program. I think I am safe in stating that every member of the 18-man study group was thoroughly impressed with what he saw. I remember so clearly General Eisenhower's words: "Gentlemen, it is this or else," and I recall so vividly the determined expression on his face when he spoke these words. Everywhere we went, it was so obvious that our partners in the North Atlantic Treaty were looking to the United States for leadership. We have supplied that leadership in the past, and we must supply the greater measure of leadership which is provided for in this bill. If we fail our partners, it will mean the end of free Europe as we know it, but more than that, it might well mean the end of the United States as we know it. That tragedy must be avoided.

Together with the free world, we face the greatest menace ever confronted by civilized mankind. There is no need to elaborate upon it. We are all aware of it, although our methods in meeting the menace may vary among the membership of the House. The Soviet threat is directed at all areas of the world. But, let us remember this—it is especially aimed at the United States. The Soviet rulers are thoroughly aware of our great industrial capacity. They would like nothing better than the chance to destroy that capacity—and our way of life. The best means of preserving our strength and using our capacity to maximum effectiveness is to combine with our friends in collective security. This we have done in the Rio Pact with our Latin American neighbors, and in the North Atlantic Treaty with our friends in the North Atlantic area. Next to our own, Western Europe has the greatest industrial potential in the world. Should it fall into the clutches of Soviet imperialism, the target—the United States—would be that much easier to shoot at. Latin America, too, is an area vital to our own security. Our situation would be desperate should it fall under communism. The same is true of the Far East and the Near and Middle East. It is, then, unwise and against our own vital interests to rely solely on our own strength and to bury our heads

in the sand like an ostrich. The Mutual Security Act of 1951 proposed in this bill integrates our programs of military, economic, and point 4 assistance to free nations everywhere as a bulwark against the threat of Soviet aggression and subversion. The threat of Soviet aggression and subversion is an ever-present danger. The goal of the Kremlin—world domination—does not change. It is only the tactic that changes. Whatever the Kremlin does is calculated, and deliberately follows a timetable. The Kremlin has been very skillful in setting its own timetable and moving only when it considers it advantageous to do so. It is the objective of this bill to make it exceedingly difficult, if not impossible, for Soviet aggression to set its own timetable, or to shatter that timetable should the Soviets attack.

We on the Committee on Foreign Affairs have given this bill a thorough going over. In addition to the valuable information we obtained in Europe, we had before us the benefit and advice of the top officials in our Government, both from the executive branch and the Congress. Men like Nelson Rockefeller, Paul Hoffman, Tracy Voorhees, and many other public-spirited private citizens, following distinguished public careers, sat down with us in committee to discuss the program from beginning to end. We owe them a debt of gratitude for their devotion and civic service. But I wish to emphasize this particularly—the contribution and hard work, so typical of the House, which my distinguished colleagues on the Foreign Affairs Committee, under the great chairmanship of the gentleman from South Carolina, Hon. JAMES P. RICHARDS, have exerted on this bill is worthy of the highest traditions of the Congress.

We have sought in this bill to present what we consider a minimum program. It is not a maximum by any means. General Eisenhower has stressed the necessity for providing our allies with sorely needed military equipment to furnish the collective security forces with the items essentially needed. Most of these items they could probably produce themselves. But they cannot gear their recuperating economies to a military productive effort in time. And time is of the essence. We must take advantage of that time according to our availabilities. They must take advantage of that time according to their availabilities. It is not a case of comparing their effort with our effort. The true yardstick is how they are making use of their availabilities and capacity. To me the come-back of free Europe, thanks to such programs as Greek-Turkish aid, the Marshall plan and mutual defense assistance, is almost miraculous. We must not strain their economies to a point where the internal forces of subversion could capitalize on poor economic, social and labor conditions. That would defeat the very objective of the mutual security program. This point was emphasized by General Eisenhower in no uncertain terms.

The bill before us is worthy of a great Nation. It is worthy of this House and

the Congress. And it will serve the worthiest cause of all—peace.

Mr. VORYS. Mr. Chairman, I yield 20 minutes to the gentleman from Wisconsin [Mr. SMITH].

(Mr. SMITH of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Wisconsin. Mr. Chairman, I want to say at the outset that I join with my colleague from Ohio [Mr. VORYS] in commending the chairman for his handling of this bill in the committee, and also the staff, which worked night and day in getting this legislation ready.

I am in disagreement with the committee on the underlying philosophy of the legislation. It is my position, very broadly speaking, that this program has in no way stopped the spread of communism and any further authorization as provided in this bill is a waste of the taxpayers' money.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. NICHOLSON. Has the committee considered where this money is going to come from that is going to take care of this proposition?

Mr. SMITH of Wisconsin. That matter is not considered, of course. In our committee, we are not concerned with where the money is coming from, unfortunately.

Mr. Chairman, I think the time allowed for general debate on this matter is rather limited—too limited. The amount authorized is practically the same as that which is provided in the tax bill, which the House passed and which the House Committee on Ways and Means labored over for 3 months, and which the Senate committee is now laboring over in the same way. Yet, we come here and with 4 hours of general debate, we are going to spend that whole amount. It is unfortunate by our action on this bill we shall spend all the tax money that we will raise under the tax measure, still to be enacted into law.

Mr. Chairman, for 6 years our foreign policy has been to buy our way to world power and prestige. Having failed in that approach we now prepare to shoot our way to that position. The struggle between Russia and the United States is for a balance of power in this troubled and confused world but our leaders lack the courage to be forthright and tell the American people that this is the fact.

Make no mistake, this is primarily a military bill. Many who believe it is necessary to prepare the defenses of Europe against possible Russian attack will vote for it but will also vote to strike out economic aid. It is my view that both programs have not been fully justified as to amounts. Both can stand deeper cuts without injury to the objectives sought. Other titles in the bill are minor ones but deserve careful examination.

Mr. Chairman, enthusiastic partisans of foreign policy in 1943 reached for the Marshall plan as a muskie in Wisconsin strikes at a lure. "Provide the war-wrecked countries with money and raw materials and they will then defend

themselves against Russian expansion," they said. Thus the Economic Cooperation Act of 1948 was established. It was to relieve human suffering and initiate the task of reconstruction. There was the prayerful hope that it would succeed. Since the act of 1948, the United States has appropriated about \$11,000,000,000 for expenditures and credits and the Secretary of State recently said that \$25,000,000,000 more would be needed in the next few years and that was only a guess.

Almost 4 years have passed and it is obvious that the promises made by the advocates of globaloney spending or the Give America Away Society have not been fulfilled. Western European countries have made a remarkable recovery. Productivity is at least 40 percent above prewar 1938. While this fine come-back was being achieved in Europe, the American taxpayer was dumping \$25,000,000,000 into the effort also. This huge sum was contributed over a period of 5 years from July 1, 1945, to June 30, 1950. Yet, the threat of communism is so great today that we are forced to rearm all of the nations in the North Atlantic Treaty Organization. Every propaganda agency in government is engaged in a campaign to create a fear complex in this country, in the Hitler manner. This European rearmament program is a confession of failure; it is an admission that economic aid has not achieved the results promised under the Marshall scheme. The facts are obvious to all who are interested. There is not one scintilla of evidence to indicate that Russia is about to start a war. It exists only in the minds of the propagandists. "There is no immediate threat of war," General Eisenhower said recently. But our foreign policy having failed, the Army is called upon to bail out the State Department.

In justification of continued spending, it is alleged that communism is being contained. What are the facts, very briefly? In the last general election in France, the Communists polled one out of every four votes. The United States News and World Report states that this represents a slight drop of 6 percentage points in the total of Communist votes cast in the previous general election. It is as if 12,000,000 American voters were voting Communist. Yet in 5 years the United States has spent \$4,000,000,000 in France to discourage communism. In spite of increased productivity, industrially and agriculturally, the largest single voting group in France is the Communist Party.

The situation in Italy is much worse. There we contributed more than \$2,000,000,000 over the same period and for the same purpose that we did in France, to stop the spread of communism. Did it work? No. Actually the Communistic vote increased. It is as if 20,000,000 American voters were voting Communist.

In England, Britain's foreign policy is under attack by Bevan, left-wing labor leader. He charges that the job for the British is to restrain America, not Russia. Can you beat that? His group is opposed to the development of air bases in England. Have we made friends and

is there the will to fight? I did not find it in our recent trip. How much dependence can we place upon the strength of nations whose armies, government, diplomatic machinery, unions and industries that are infested with Communists and sympathizers? I ask the proponents of this legislation to answer that question before this debate is concluded.

I remind you that the objectives of the Marshall plan were to reconstruct and rehabilitate the war-damaged economies of the Western European nations and to attain political and economic integration as well. Only one goal, has in a measure been achieved, the reconstruction of the industrial machine. I repeat, only in a measure, for while productivity is above prewar, the human beings engaged in industry and business have not shared in it. More about that later. I doubt that anyone will assert that political and economic integration has been achieved in the European community. The fact is that as the several nations become more prosperous, nationalism has increased; each desired to become self-sufficient and was more assertive of its own sovereignty and the maintenance of it.

So where do we stand today? My concern is not with the details of this legislation but with its policies. Are we embarked upon a program that must lead to war—sooner or later? Is our action belligerent and arrogant? Is the fate of western civilization dependent upon us? Russia knows and we must know too that in this atomic age neither side will win the next global war.

There is one inescapable fact as I see the development of our foreign policies which aims to contain communism. It is that Communist ideology cannot be stopped by guns, bullets, planes or bombs anymore than you can stop the spread of Christianity in that manner. We are not getting at the source of the infection; we are merely cutting away the growth.

The evil of our times is political instability; it is the source of infection which makes communism possible; and we ignore it. Communism has extended its power since 1945 beyond the Kremlin's fondest hopes and without firing a shot. Its appeal is to the great mass of people who want bread, who want peace, who want no war.

In the scattering of our billions of dollars all over the world we have not been concerned with the welfare of people, we have been zealous to maintain the status quo by supporting existing governments. Eleven billions of dollars spent in Europe since 1945 has not raised the standard of living of the British, French or Italians to any appreciable degree. In France the national income per capita for 1951 was \$542; in the United Kingdom—Britain—it was \$631, and in Italy it was \$286. Is it any wonder that people in Europe shrug their shoulders and say, "What difference does it make what form of government we live under?"

The increased productivity—40 percent above prewar—has not been shared with the people as I said before and in the legislation before us, no effort is being made to correct that deplorable

situation. Inflation and meager wages and salaries are vital factors in the spread of communism and no amount of military defense can stop it. Why do not we do something about it?

Bankrupt Socialist governments which we support with our hard-earned dollars are a burden and a handicap to the people in Europe. They offer no hope for the people. Governments have destroyed individual initiative; they have taxed away incentives, except for the select elite. Given the opportunity people can and will solve their own problems—human nature is that way. This legislation offers no hope to free people. Freedom to work and share in the fruits of our labor was our heritage under a Government that permitted freedom of enterprise.

Nobel prize winner William Faulkner said recently that world governments are "using fear to rob man of his individuality and of his soul."

Our danger is the forces in the world today which are trying to use man's fear to rob him of his individuality, his soul, trying to reduce him to an unthinking mass by fear and bribery—giving him free food which he has not earned, easy and valueless money which he has not worked for.

The economies or ideologies or political systems, Communist or Socialist or Democratic, whatever they wish to call themselves; the tyrants and the politicians, American or European, or Asiatic, whatever they call themselves, who would reduce man to one obedient mass for their own aggrandizement and power, or because they themselves are baffled and afraid, afraid of, or incapable of, believing in man's capacity for courage and endurance and sacrifice.

That is what we must resist if we are to change the world for man's peace and security.

Mr. Chairman, that is the objective we should be seeking in this legislation. But we are not.

We have no right under the pretext of our national security to be forcing the people of Europe to rearm. Actually we are insisting that they do so and this is arrogant conduct. The gigantic military program now proposed will further depress the standard of living and in addition invite possible attack by Russia. This is a ghastly and dangerous business for Europeans and Americans alike. Eventually the problem must be resolved from within each country under the kind of government that we can encourage where individual initiative and enterprise prevails. The struggle may be a long and arduous one but the more this Government administers opiates in the form of military and financial subsidies the more difficult will be the task. The job we have to do, as I see it, is to insist upon political stability as a condition for any further aid. This is of prime importance to the free world.

The policy of getting tough with Russia and the Truman policy of containing communism are about to become obsolete, in the opinion of some political writers. Toughness between equals becomes a two-way street—containment is a matter of choice for the one to be contained. Hans J. Morgenthau, in his book, *In Defense of the National Interest*, says:

The unilateral application of pressure as the sole means of achieving our objectives

has become impossible, which is another way of saying that the period of the cold war has come to an end. The atomic flash somewhere in Asiatic Russia ended the twilight state between peace and war in which we have been drifting. From now on it will be either peace or war.

The great imperative need in this hour of dismay and confusion is for our leaders to be honest and forthright with the people. To say that our policy is to contain communism and thereby justify the expenditure of funds for economic and military purposes is less than honest. The real struggle between the free world and Russia is for power—political and economic power in the world. The United States of America is being challenged by the U. S. S. R. and the stakes are high. Germany can well be the place where the showdown will occur; it is in the "heartland" of Europe. But our leaders pussy-foot when it comes to telling the truth about that situation. Who wins Germany wins the fight to save free people from the despotism of Soviet slavery.

Our leaders would have us believe that in the United Nations lies our security that it must finally bring peace to the world under law. Despite all theories of collective security and international action against aggressors, going to war is still something that must be justified to the people who do the paying, the fighting, and the dying as a sacrifice demanded by the national interest. And so long as this is true, the United Nations organization can serve only a very limited purpose. We are living in a power-hungry world. This grasping for power by the Soviet Union and the United States has not yet reached its climax, and with the feverish haste to rearm, war cannot be far away.

Weak, vacillating policies in Asia and Europe have undermined our Government. Other people have lost confidence in us; they question our motives. Pearl Buck, in a recent article said that Americans should accept the fact that we are the most hated people in the world. Our diplomacy has failed, our politicians have scotched military victories. Yet once more we are asked to support these same leaders with our dollars and our sons. Passage of the present bill is a confession of failure for it means there is but one course open to us—that of war. The traditional and historical methods of diplomacy have been avoided. This is the disheartening fact. The people have been fooled. Now they are confused, and they pray for sound and honest leadership.

Morgenthau in his book to which I have referred, makes this indictment against our leadership in words beyond my powers to express it. Speaking to our leaders, he says:

You have deceived once; now you must deceive again, for to tell the truth would be to admit to have deceived. If your better judgment leads you near the road of rational policy, your critics will raise the ghost of your own deception, convict you out of your own mouth as appeaser and traitor and stop you in your tracks.

You have falsified the real issue between the United States and the Soviet Union into

a holy crusade to stamp out Bolshevism everywhere on earth, for this seemed a good way of arousing the public; now you must act as though you meant it.

You have told the people that American power has no limits, for flattery of the people is good politics; now you must act as though you meant it.

Your own shouts mingled with the outcries of the opposition have befuddled your mind; now you wonder whether you are fighting Russian imperialism or trying to obliterate communism; whether you want to defend Europe by sending troops or by creating a deterrent of a strong United States; whether you want to stay in Korea or get out; whether Formosa is vital for our security or might become a liability.

Instead of leading public opinion on the steady course that reason dictates you will trail beyond it on the zig zag path of passion and prejudice. You will meet popular opinion not at a point still compatible with the national interest, but rather where, regardless of the national interest, a deceived populace will support policies fashioned in the image of its own prejudices.

Where a knowing, prudent, and determined government would endeavor to raise the people to the level of its own understanding, an ignorant, improvident, and weak government will follow its own propaganda to that low level where misinformed passion dwells. You will become in spite of your own better self the views not of what is noble, wise, and strong in the nation, but what is vulgar, blind, and weak.

Mr. Chairman, the Quakers, who never give up their fight for peace, assert that the basic concept of American foreign policy must be freedom for all men, a decent standard of living, peace, and security. Is our present foreign policy leading us to those objectives? The Quakers' answer is, emphatically "No." They charge that the record of the United States in Asia and Europe has been to convince the common people there that our primary purpose is to prepare for a coming war with Russia, that there is no longer any belief that our declarations of high principle are more than a respectable front for our aims in a power struggle.

The Quakers reject the principle this legislation approves, namely, that peace and national security can and will emerge from an arms race or that our problems can be solved by dropping A-bombs.

Mr. Chairman, we are on the road to national suicide; we are dissipating our human and natural resources at a terrific rate; we are scattering our shots ineffectively all over the world; we are on the road to national bankruptcy; we are taxing to the point of diminishing return and the people of this country are demanding that we stop these reckless policies that are obvious in this bill.

Mr. Chairman, the time is now for this Congress to make foreign policy to the end that we will help people everywhere to higher and better standards of living, then we can defeat communism and in no other way.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

(Mr. ANGELL asked and was given permission to revise and extend his remarks.)

FOREIGN AID—CAN THE UNITED STATES CONTINUE TO FINANCE THE WORLD?

Mr. ANGELL. Mr. Chairman, we have before us H. R. 5113, which calls for the expenditure of \$7,848,750,000 in the next fiscal year for foreign aid. It is my information that Secretary Acheson in testifying before a congressional committee recently stated that in the next 3 years the United States would be called upon to spend \$25,000,000,000 in foreign aid.

Those of us in the Congress who are responsible for putting the O. K. on these expenditures are aroused over the program of this administration for foreign expenditures which, in the judgment of most economists, is reaching the breaking point. The United States alone cannot feed the world, neither can it finance its economic or military operations.

In order that my position may not be misunderstood, I want to say that I have supported all legislation for appropriations for national defense, believing that we should keep our Nation militarily strong to enable us to defend our country against any attack. Thus far I have also voted for foreign aid.

I also favor a pay-as-you-go policy and am opposed to deficit spending and believe that we should not saddle the debts of one generation upon a succeeding generation except in cases of great emergency. I feel that this Nation cannot feed, finance, and arm all the world outside the iron curtain and for that reason it behooves us to reappraise our resources and financial ability and make drastic reductions in Government expenses, particularly in all programs for overseas expenditures where the same are not absolutely essential. The time has come to give some consideration to our own people. We are providing finances for public works of all types, river and harbor improvements, flood control, hydroelectric development, waterworks, public buildings, and a myriad of other public improvements overseas while we are drastically curtailing similar improvements here at home which are vitally needed for our own economy.

I believe the time has come to use some of these billions of dollars we have been spreading around the world for the development of our own economy and the protection of our people here at home. The American taxpayer is being bled white. There are millions of our old people and low-income groups who are finding it difficult to make ends meet and keep the wolf from the door with the meager incomes they are receiving and the swollen prices under inflation for the necessities of life.

Many of the European nations to which we are furnishing substantial foreign aid are in a better economic condition than is the United States. Many of them have an over-all per capita indebtedness less than ours and they are able to balance their budgets whereas we have been operating in the red almost continuously since 1932. The total expenditures of this Government have reached such staggering proportions that we are brought to the realiza-

tion that a break must be put on our spending if our financial structure is to be held intact. The late President Roosevelt said in an early campaign that any nation, like any individual who continually spends more than it receives, was headed for the poorhouse and

bankruptcy. How ominous those words are when we consider what has been spent by the Roosevelt and Truman administrations since the words were uttered. The following tabulation vividly expresses in dollars this startling expense program:

Period	Receipts	Expenditures	Debt
All Presidents to 1933.....	\$91,586,076,130	\$112,203,367,065	\$22,538,672,164
Roosevelt administration, fiscal 1934 to 1945.....	165,760,825,357	372,235,200,271	259,115,345,802
Truman administration, fiscal 1946 to 1951.....	256,626,307,445	266,007,122,624	268,000,000,000

Many of us in the Congress are wondering why Americans are called upon for \$45,000,000,000 in arms while Europe can scrape up less than eight billions. The administration forces now tell us we must arm all of Western Europe, yet Europe is in the center of the war danger zone and sitting on the powder keg. The nine nations allied in the North Atlantic group have 175,000,000 people, Western Germany 48,000,000. The industries of those nations are turning out 44 percent more goods than they did before World War II but yet these nations in the year ahead plan to spend only \$3,000,000,000 on its own defense while the administration is calling upon the United States with only 150,000,000 people to spend \$45,000,000,000 for arms even though we are far removed from the battle area and certainly much more remote from danger than the nations of Europe. The Communists have boldly proclaimed that the United States will spend itself into disaster. Russia is sitting by biding its time while we are well along the road on our spending spree. As reported in the August 10 issue of United States News and World Report, in the year ahead the United States will spend on its Armed Forces \$40,500,000,000, and will make available in military aid to Europe five and two-tenths billions; the allies of the United States in Europe will spend on their armed forces seven and nine-tenths billions. The postwar loans and grants to Europe prior to the Marshall plan cost the United States nine and six-tenths billions. Marshall-plan aid to Europe to date has cost the United States eleven and seven-tenths billions. The proposed 3-year plan of military and economic aid to Europe would cost \$20,700,000,000 as reported in the United States News and World Report.

The President is planning an over-all expenditure for the fiscal year of over \$71,000,000,000. It will probably be nearer a hundred billion if he has his way. If the Congress authorizes the present request for foreign aid, the total authorized gifts, loans, and credits in the past 10 years will aggregate \$124,000,000,000. The United States has only 6 percent of the population of the world, yet we are attempting to feed, finance, and equip for war the entire world outside the iron curtain. It is high time for the taxpayers to call for an accounting and a stop to the flagrant waste of our resources.

The people of the United States are entitled to know why it is that those in control of the Government since 1933 have kept our country almost continuously in war and made it possible for

the Communist Government of Russia to extend its domination from 170,000,000 people in 1945 to 800,000,000 today and to spend more than all other administrations in our history combined, and why it is that we lack effective, forthright, far-sighted leadership at home and abroad, and why it is that notwithstanding billions appropriated for national defense, we found ourselves inadequately prepared to meet the Korean conflict. This lack of leadership and the willingness to accept political expediency has left us confronted with exorbitant prices, mounting taxes, dwindling savings, and insolvency. We are attempting to substitute billions of dollars for effective and forthright leadership and to substitute bullets for statesmanship. No armed force can survive internal weakness, corrupt and vacillating leadership. In truth America's greatest need is honest and effective leadership on the national level, leadership that is courageous, far-seeing, honest, and guided by high moral principles and spiritual values. These we do not possess today. It is time to take up this fight to restore them and for the restoration of democratic processes here at home and the preservation of our American way of life and our capitalistic system of free enterprise which is being undermined by socialistic panaceas.

The foreign-aid program has donated to the rest of the world equals in value the physical assets of five States—Illinois, Indiana, Iowa, Michigan, and Wisconsin. International aid from 1940 through 1950 donated by the United States is as follows:

Institute of Inter-American Affairs.....	\$122,879,887
Participation in international organizations.....	182,450,186
International refugee organization.....	212,214,257
United Nations relief and rehabilitation administration.....	2,701,900,000
Government and relief in occupied areas.....	4,335,500,000
Relief of Palestine refugees.....	43,450,000
Relief assistance (post UNRRA).....	385,000,000
Aid to China.....	1,363,000,000
Aid to Greece and Turkey.....	945,000,000
Assistance to the Philippines.....	575,803,398
Mutual defense assistance program.....	6,492,033,729
Aid to Korea.....	250,000,000
International children's emergency fund.....	160,000,000
Interim foreign aid.....	577,000,000
Information and educational activities abroad.....	173,855,850
Economic cooperation administration.....	10,952,380,000

Lend-lease appropriations (net).....	\$67,869,771,129
Purchase of strategic and critical materials.....	4,103,548,370
Cooperation with American Republics.....	32,877,800
American Red Cross, foreign war relief.....	85,000,000
Inter-American highway.....	56,400,000
Surplus property disposals, balances.....	1,020,241,000
Eradication of foot and mouth disease, Mexico.....	75,000,000
Displaced Persons Act.....	15,410,000
International development programs.....	26,900,000
Compensation to Finland, requisitioned ships.....	5,500,000
Administering island governments.....	8,675,000
Assistance to Yugoslavia.....	50,000,000

Total international aid items..... 102,821,790,606

Appropriations for loan programs in the same 10-year period:

United Nations headquarters loan.....	65,000,000
British loan.....	3,750,000,000
Subscription in international monetary fund.....	2,750,000,000
Subscription to International Bank.....	3,175,000,000
Export-Import Bank loans outstanding, Dec. 31, 1950.....	2,226,431,000
RFC foreign loans outstanding Dec. 31, 1950.....	110,268,000

Total loans..... 12,076,699,000

Credit programs maintained by our Government:

United States Maritime Administration, balances due on ship sales.....	174,970,000
Surplus property disposals, balances.....	1,020,241,000
Lend-lease silver account balances due Dec. 31, 1950.....	291,215,000
Philippine funding credit.....	35,000,000

Total credits outstanding..... 1,521,426,000

I recently asked the Library of Congress in its Legislative Reference Service to give me a breakdown of foreign-aid grants, gifts, and expenditures by our Government from July 1, 1945, to March 31, 1951. This information is most illuminating as disclosing the wide range of activities financed by our Government around the world and giving concrete evidence of why it is we are in the midst of an inflationary period, with the highest tax burden in our history or in the history of any country, and with prices for the necessities of life reaching astronomical figures beyond the ability of low-income groups to cope with.

This breakdown of expenditures is as follows:

Summary of foreign aid (grants and credits)—by program—July 1, 1945, to Mar. 31, 1951

[In millions of dollars]

Grants utilized:	
Lend-lease.....	1,946
European recovery.....	8,478
Civilian supplies.....	4,809
UNRRA—Post-UNRRA and interim aid.....	3,443
Philippine rehabilitation.....	623

Grants utilized—Continued

Korean and far eastern (general area of China) aid ¹	290
Technical assistance and military aid ¹	139
Other.....	455
Miscellaneous.....	123
Total grants utilized.....	20,305

Credits utilized:

Special British loan.....	3,750
Export-Import Bank.....	2,812
Lend-lease (excluding settlement credits).....	69
Credit-agreement offsets to grants.....	1,256
Surplus property (including merchant ships).....	1,334
European recovery.....	1,107
Other.....	437
Total credits utilized.....	10,765

¹ Includes some military aid.

Total foreign credits utilized by foreign governments July 1, 1945, to Mar. 31, 1951

[In thousands of dollars]

Agriculture Department: Occupied-areas commodity programs.....	214,353
Commerce Department: Maritime Administration (merchant ships).....	229,001
Defense Department—Army Department:	
Surplus property.....	20,000
Natural-fibers revolving fund.....	54,336
	74,366
Economic Cooperation Administration:	
European recovery:	
Through Export-Import Bank.....	1,089,208
Deficiency - material projects:	
Dollar funds.....	7,709
Counterpart funds.....	10,121
	1,107,038
Export-Import Bank:	
Direct loans.....	2,665,137
Loans through agent banks.....	146,566
	2,811,703
General Services Administration:	
Surplus property.....	18,254
Reconstruction Finance Corporation:	
Loans.....	70,102
Occupied-areas commodity programs.....	14,760
Surplus property.....	1,965
	86,827
State Department:	
British loan.....	3,750,000
Lend-lease current credits.....	14,565
Lend-lease silver.....	54,484
Credit - agreement offsets to grants.....	1,256,326
Surplus property.....	1,064,757
Philippine funding.....	35,000
	6,174,732
Total.....	10,764,750

Total foreign grants by agency and by program, July 1, 1945-March 31, 1951 (exclusive of military aid)

[In thousands of dollars]

Agriculture Department:	
Donations of surplus.....	77,563
Foot-and-mouth disease eradication.....	81,487
Total.....	159,050
American Red Cross.....	10,435
Defense Department:	
Civilian supplies:	
Army and Air Force Departments.....	4,413,358
Navy Department.....	18,856
Army and Navy Departments.....	4,413
Refugee assistance.....	8,937
Relief in Korea.....	65,785
Total.....	4,504,349

Economic Cooperation Administration:

Civilian supplies.....	172,333
European recovery:	
Dollar funds.....	8,421,830
Counterpart funds.....	56,605
Far Eastern (general area of China) aid:	
Dollar funds.....	191,685
Counterpart funds.....	3,658
Interim aid (Public Law 389).....	555,744
Korean aid:	
Dollar funds.....	86,760
Counterpart funds.....	7,990
Post UNRRA (Public Law 84).....	298,635
Total.....	11,795,240

Philippine War Damage Commission (private claims).....

Reconstruction Finance Corporations: ¹	397,348
State Department:	
Chinese student assistance.....	3,861
Institute of Inter-American Affairs.....	36,257
Philippine reconstruction and rehabilitation.....	125,701
Philippine rehabilitation: Surplus property.....	100,000
Technical assistance.....	19,884
Through international agencies:	
For refugees.....	230,829
For Palestine relief.....	40,450
For children.....	75,000
Total.....	631,982

Treasury Department:	
Chinese stabilization.....	119,594
Lend-lease.....	1,946,000
Civilian supplies.....	134,487
Total.....	2,200,081

United Nations Relief and Rehabilitation Administration.....

¹ Less than \$100,000.

Yugoslav aid..... 11,358

Total..... 20,305,556

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce, Office of Business Economics, Clearing Office for Foreign Transactions, published and unpublished tables.

British purchase in the United States with funds from the British loan

	Percentage of total	Amount
Food.....	23	\$415,000,000
Raw materials (including oil).....	26	470,000,000
Machinery.....	15	270,000,000
Ships.....	7	125,000,000
Tobacco.....	10	180,000,000
Films.....	4	70,000,000
Supplies for Germany.....	13	235,000,000
Other.....	2	35,000,000
Total.....	100	1,800,000,000

Sources: U. S. Congress. House Committee on Foreign Affairs. Foreign Policy for a Postwar Recovery Program. Hearings, 80th Cong., 2d sess. Washington, Government Printing Office, 1948; pt. 2, p. 1988. Williams, Francis, Was the British Loan Bood Business? Nation's Business, vol. 37, March 1949, pp. 54, 56-59.

The \$960,000,000 spent by the United Kingdom in the rest of the Western Hemisphere was spent almost entirely for food, oil, and raw materials.

The \$620,000,000 spent of behalf of other sterling-area countries went mainly for cereals to enable India to fight the famine threatened (in 1948) by the failure of the rice crop, fertilizers for Egypt, and American cotton textiles for the colonies.

About \$400,000,000 remained when this compilation was made which was ultimately spent in about the same proportions as the above listed items.

Type of commodities financed by the Export-Import Bank July 1948 through December 1950

Equipment:	
Machinery.....	\$280,975,000
Metals and manufactures (other than machinery).....	87,319,000
Industrial raw materials:	
Nonmetallic minerals.....	19,009,000
Chemicals and related products.....	9,917,000
Raw cotton.....	59,423,000
Textile fibers and manufactures.....	2,792,000
Inedible animal and vegetable products.....	4,224,000
Edible animal and vegetable products.....	4,040,000
Wood and paper.....	3,697,000
Other items:	
Miscellaneous.....	19,239,000
Ocean freight, forwarding charges, etc.....	5,187,000
Unallocated.....	70,000
	486,892,000

Source: Export-Import Bank of Washington. Seventh through eleventh semiannual reports to Congress, July 1948 through December 1950.

Paid shipments by commodity group and area of source—cumulative, Jan. 1, 1949–Mar. 31, 1951

(Thousands of dollars)

Commodity group	Total	Area of source															
		United States	Canada	European countries (and overseas territories) participating in ERP							Other countries						
				Total	Austria	Netherlands East Indies	France	Germany (Federal Republic)	Netherlands	British territories in Asia and Oceania	Total	Japan	China	Philippines	Spain	Iran	Thailand
Grand total 1.....	81,028																
Commodity total.....	71,575	46,419	1,326	3,587	1,354	1,179	515	269	235	26	20,244	17,242	1,421	658	519	326	40
Food and agricultural commodities.....	42,423	37,558	1,326	2,137	1,354		515	269			1,402	397		486	519		
Industrial commodities.....	29,152	8,861		1,449		1,179			235	26	18,842	16,844	1,421	173		326	40
Technical services 2.....	2,028	1,806									202	202					
Ocean freight 3.....	7,425	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
COMMODITY DETAIL																	
Food, feed, and fertilizer.....	27,730	23,351	1,326	2,137	1,354		515	269			916	397			519		
Fertilizer.....	21,542	17,559	1,326	2,137	1,354		515	269			519				519		
Nitrogenous.....	17,056	14,375	1,326	1,354	1,354												
Phosphate.....	3,184	3,184															
Potash.....	1,302			783			515	269			519				519		
Bread grains.....	4,671	4,671															
Wheat flour.....	3,098	3,098															
Wheat.....	1,572	1,572															
Barley.....	907	907															
Wheat and rye products, not elsewhere classified 4.....	397										397	397					
Whale oil and fish oils.....	213	213															
Fuel.....	15,157	5,589		1,179		1,179					8,389	8,063				326	
Coal and related fuels.....	8,063										8,063	8,063					
Petroleum and products.....	7,093	5,589		1,179		1,179					326					326	
Raw materials and semifinished products.....	23,162	15,706		262					235	26	7,194	5,036	1,421	658			40
Raw cotton, except linters.....	14,002	14,002															
Fabricated basic textiles.....	2,443	263									2,180	751	1,421	8			
Cotton.....	1,845	217									1,628	207	1,421				
Other.....	598	46									552	544		8			
Chemicals and related products.....	2,182	691		235					235		1,256	1,228					28
Medicinal and pharmaceutical preparations 4.....	829	187									642	642					
Pesticides.....	246	246															
Industrial chemicals, except alcohol 4.....	108	85									23	23					
Other.....	999	173		235					235		591	563					28
Iron and steel mill materials and products, including ferro-alloys.....	1,955	698									1,258	1,258					
Nonmetallic minerals.....	1,423	10									1,413	1,413					
Vegetable fibers, manila or abaca.....	486										486			486			
Lumber and lumber manufactures.....	384										384	220		165			
Nonferrous metals and products.....	250	7		26						26	217	167				40	10
Copper 4.....	154										154	154					
Tin.....	58			18						18	40					40	
Lead 4.....	13										13	13					
Zinc.....	7	7															
Other.....	19			9						9	10						10
Pulp and paper.....	36	36															
Machinery and vehicles.....	5,244	1,562		9							3,674	3,674					
Machinery and equipment.....	1,644	761		9							874	874					
Construction, mining, and conveying equipment.....	352	205		9							139	139					
Electrical apparatus, except generators and motors.....	241										241	241					
Engines and turbines.....	238	238															
Generators and motors.....	155	150									5	5					
Metalworking machinery, except machine tools.....	21	21															
Machine tools.....	1										1	1					
Industrial machinery, not elsewhere classified.....	598	110									488	488					
Tractors, all types.....	38	38															
Motor vehicles, engines, and parts.....	1,511	279									1,232	1,232					
Other transportation equipment.....	2,089										1,567	1,567					
Railroad transportation equipment and parts 4.....	2,079	511									1,567	1,567					
Vessels and equipment.....	10	10															

Footnotes at end of table.

Paid shipments by commodity group and area of source—cumulative, Jan. 1, 1949—Mar. 31, 1951—Continued

(Thousands of dollars)

Commodity group	Total	Area of source															
		United States	Canada	European countries (and overseas territories) participating in ERP							Other countries						
				Total	Austria	Netherlands East Indies	France	Germany (Federal Republic)	Netherlands	British territories in Asia and Oceania	Total	Japan	China	Philippines	Spain	Iran	Thailand
COMMODITY DETAIL—continued																	
Miscellaneous and unclassified	252	212									71	71					
Miscellaneous inedible vegetable products	205	205															
Miscellaneous industrial commodities	78	7									71	71					
Miscellaneous rubber products and rubber scrap	70										70	70					
Scientific and professional instruments	5		4								1	1					
Other	3		3														

¹ ECA expenditures supplemented by movement reports from U. S. Government agencies; total paid shipments are less than actual movements because of the time required for receipt and processing of documents requesting payment.

² Including \$9 thousand of construction, mining, and conveying equipment shipped from Denmark.

³ Including \$20 thousand of Korean source.

⁴ Including expenditures made against authorizations for unclassified commodities and services in part and in total.

⁵ Source not available.

⁶ Including shipments made against authorizations for unclassified commodities in part and in total.

⁷ Source country is Denmark.

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

Paid shipments by commodity group and country of destination—cumulative, Apr. 3, 1948—Mar. 31, 1951

(Millions of dollars)

Commodity group	Total	Country of destination														
		United Kingdom	France	Germany (Federal Republic)	Italy	Netherlands	Belgium-Luxembourg	Austria	Greece	Denmark	Norway	Ireland	Sweden	Turkey	Trieste	Portugal
Grand total ¹	9,440.7	2,620.5	1,928.3	1,022.9	926.4	859.4	495.8	438.7	333.5	215.1	187.9	131.3	93.4	79.1	26.4	26.4
Commodity total	8,725.9	2,529.7	1,665.8	948.1	821.0	835.5	471.9	398.7	303.1	211.6	185.5	129.7	93.4	71.5	22.1	25.2
Food and agricultural commodities	4,510.3	1,356.5	561.9	744.1	459.8	396.0	167.5	291.1	201.3	100.6	88.5	94.1	2.1	12.8	11.0	17.1
Industrial commodities	4,218.6	1,173.3	1,104.6	205.1	361.9	439.6	304.4	107.6	101.8	111.1	97.0	35.6	91.4	58.7	11.0	8.2
Technical services	24.3	7.5	4.4	.3	3.8	.7	.1		3.6		1.1			2.7		
Ship disbursements	7.4	2.0	1.6			2.5	1.0		.1		.1					
European Payments Union	42.6	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(**)	(*)	(*)	(*)	(*)	(*)
Ocean freight	640.4	81.2	256.4	74.4	101.6	20.6	22.8	40.0	26.7	3.5	1.2	1.6		4.8	4.4	1.2
COMMODITY DETAIL																
Food, feed, and fertilizer	2,877.0	865.1	235.7	439.2	220.2	288.2	144.1	244.2	190.1	69.2	71.7	62.7		12.8	10.9	17.1
Bread grains	1,457.6	539.7	79.6	123.0	193.4	138.4	53.3	120.9	112.7	3.5	36.0	18.4		12.8	7.0	17.1
Coarse grains	345.6		42.1	144.8	2.8	38.4	5.6	31.4	2.9	19.7	16.8	41.4				
Fats and oils	330.0	9.3	64.9	87.6	15.5	43.3	22.8	53.5	5.4	15.5	8.9	.2			2.5	.7
Sugar and related products	265.0	134.4	12.5	31.9		29.7	14.7	12.5	25.6		2.8	.6				.3
Meat	123.0	75.5	1.1	18.5		4.4	9.8	4.4	8.8	.2		.2			.1	
Dairy products	112.8	69.0	11.8	.2		1.3	13.5	.4	15.4						1.2	
Feeds and fodder	52.9	.1	5.5	2.5		5.2		2.4		27.8	7.3					2.1
Fertilizer	43.2	1.5	12.8	5.6	1.7	6.5	.7	6.5	7.4							.5
Fruits and nuts, except peanuts	33.7	14.1		5.9			12.2	.8		.3		.4				
Rice	28.5		1.6	.5		18.7	1.4	1.7	4.1	.2						.2
Vegetables and preparations	18.8			4.6	1.9		5.6	.2	4.9	1.7						
Coffee	18.3		.1	11.8		.2	1.1	3.0	2.0			.1				.1
Eggs	15.9	10.9		2.0			.3	2.7								
Fish and fish products, excluding fish oil and meal	15.8	10.8			3.0		.9		.4			.7				
Miscellaneous grain preparations	6.5		1.7	.1	.9	.4	.2	2.1	.4	.2		.5				
Seeds, other than oilseeds	5.7		1.5		.9	.8	.1	1.5	.1	.2		.4				.1
Miscellaneous edible agricultural products	3.8		.4	.2	.1	1.0	2.0								.1	
Fuel	1,311.0	309.6	473.6	34.4	152.9	70.5	59.0	27.1	21.0	50.5	27.6	12.0	53.6	2.5	9.3	6.2
Petroleum and products	1,035.0	309.6	316.3	34.4	81.1	54.2	56.9	2.9	20.4	47.6	27.6	12.0	53.6	2.5	8.8	6.2
Coal and related fuels	275.7		157.3		71.8	16.3	2.1	24.2	.5	2.9					.6	1.1

Footnotes at end of table.

Paid shipments by commodity group and country of destination—cumulative, Apr. 3, 1948–Mar. 31, 1951—Continued

[Millions of dollars]

Commodity group	Total	Country of destination															
		United Kingdom	France	Germany (Federal Republic)	Italy	Netherlands	Belgium-Luxembourg	Austria	Greece	Denmark	Norway	Ireland	Sweden	Turkey	Trieste	Portugal	Iceland
COMMODITY DETAIL—CON.																	
Raw materials and semifinished products.....	2,867.8	965.7	575.2	380.2	307.5	302.9	88.5	75.7	39.8	42.5	50.2	12.9	19.8	3.8	1.4	.1	1.6
Cotton.....	1,158.4	266.0	294.7	219.5	234.8	77.8	6.7	31.5	9.8	13.7	1.7	.2	2.1				
Nonferrous metals and products.....	581.1	325.4	121.3	31.1	29.8	43.9	.7	8.0	1.6	11.6	4.7		2.4	.4	.2		.1
Iron and steel mill materials and products, including ferro-alloys.....	240.2	47.6	38.6	2.8	15.6	59.9	12.7	5.8	8.7	11.5	27.9	2.1	4.8	1.6	.3		.3
Chemicals and related products.....	227.4	60.4	61.4	16.0	13.5	20.5	25.1	12.0	9.5	1.2	2.5	.4	3.6	.9	.3	.1	.1
Metallic ores and concentrates.....	112.8	54.8	14.1	15.7	.4	5.2	18.7	1.7			1.9		.4				
Lumber and lumber manufactures.....	108.5	74.8	4.5	5.1	1.0	6.5	5.9	1.0	4.2	.2	.8	3.3		.7	.5		
Fabricated basic textiles.....	106.2	7.4	4.6	6.2	5.3	64.8	3.3	.8	.6	.6	7.7	2.1	2.2				.6
Pulp and paper.....	99.2	72.5	4.8	13.9	.1	.8	2.4		.4			3.9					.4
Nonmetallic minerals.....	87.7	40.6	18.2	4.3	.3	5.1	10.0	2.0	.7	1.0	.8	.2	4.4	.1			
Hides, skins, and leather.....	75.4	2.8	.3	41.1	5.3	11.1	2.2	7.0	4.4		.3	.7					
Fibers, except unmanufactured cotton and wool.....	33.7	5.4	12.4	7.9		2.9	.6	.6		2.4	1.5						
Naval stores.....	23.2	8.0		8.9	1.4	3.7	.3	.1		.3	.3	.1			.1		
Wool, unmanufactured.....	12.8			7.6				5.2									
Miscellaneous fiber products.....	.9		.2			.7											
Machinery and vehicles.....	1,202.4	169.1	347.5	28.7	131.8	142.5	157.4	40.6	44.3	32.5	21.5	9.7	19.2	50.9	.3	1.8	4.5
Machinery and equipment.....	895.3	164.9	256.2	22.8	127.3	72.2	63.8	38.8	31.9	25.6	19.1	6.1	16.2	45.4	.3	1.3	3.3
Motor vehicles, engines, and parts.....	187.8	3.1	15.6	5.2	.1	42.6	89.6	1.1	11.6	5.2	1.2	3.5	3.0	5.3		.4	.5
Aircraft, engines, and parts.....	74.3		39.0		4.1	25.4	3.4		.5	.9	.9		.1				
Other transportation equipment.....	45.0	1.1	36.7	.8	.2	2.3	.7	.7	.3	.9	.4			.2	.1	.1	.6
Miscellaneous and unclassified.....	467.8	220.2	33.8	65.5	8.6	31.4	22.9	11.1	8.0	16.8	14.4	32.3	.9	1.5	.1		.2
Tobacco.....	387.5	209.3	15.9	55.8	3.4	19.6	15.2	9.1		14.8	13.2	31.1					
Miscellaneous industrial commodities.....	65.6	8.2	15.4	5.7	5.9	8.1	7.1	1.7	6.5	1.8	1.1	1.2	.9	1.5	.1		.2
Miscellaneous inedible animal and vegetable products.....	17.6	2.6	3.2	5.2		3.8	.6	.4	1.4	.2	.1	.1					
Unclassified commodity refunds.....	-2.9		-.7	-1.2	-.7	-.1		-.1				-.1					

¹ ECA expenditures supplemented by movement reports from U. S. Government agencies; total paid shipments are less than actual movements because of the time required for receipt and processing of documents requesting payment. Including \$259,243 paid shipments to France and \$1,050,837 to the United Kingdom for overseas territory development. Including dollar transfers in connection with European Payments Union, \$42.6 million for the EPU capital fund.

² Including \$2.9 million for unclassified commodity refunds.

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts. Overseas territories are reported with recipient mother countries.

Source: Office of the Comptroller.

Paid shipments by commodity group and country of destination—cumulative, June 5, 1950–Mar. 31, 1951

[Thousands of dollars]

Commodity group	Total	Country of destination						
		Formosa (Taiwan)	India ¹	Associated States of Indochina	Thailand	Burma	Indonesian Republic	Far East inventory and other ²
Grand total.....	21,052	16,567	3,078	983	165	117	95	49
Commodity total.....	19,008	14,814	3,078	864	132	81	40	
Food and agricultural commodities.....	17,314	13,731	3,078	504	1			
Industrial commodities.....	1,694	1,083		360	131	81	40	
Technical services.....	254	117		18	6	15	50	49
Technical assistance.....	24			1	16	8		
Ocean freight.....	1,690	1,560		100	11	14	5	
Operations of Joint Commission on Rural Reconstruction.....	76	76						

Footnotes at end of table.

Paid shipments by commodity group and country of destination—cumulative, June 5, 1950–Mar. 31, 1951—Continued

[Thousands of dollars]

Commodity group	Total	Country of destination						
		Formosa (Taiwan)	India ¹	Associated States of Indochina	Thailand	Burma	Indonesian Republic	Far East inventory and other ²
COMMODITY DETAIL								
Food, feed, and fertilizer.....	13,043	9,852	3,078	111	1			
Fats and oils.....	5,157	5,157						
Soybeans.....	2,547	2,547						
Peanuts.....	1,558	1,558						
Tallow.....	841	841						
Soybean oil.....	211	211						
Grain sorghums.....	3,078		3,078					
Bread grains.....	2,853	2,853						
Wheat flour.....	2,287	2,287						
Wheat.....	566	566						
Fertilizer.....	1,843	1,842			1			
Nitrogens.....	1,398	1,398						
Other.....	445	443			1			
Dairy products.....	111			111				
Fuel: Petroleum and products.....	1,031	952		79				
Raw materials and semifinished products.....	4,339	3,709		475	47	69	39	
Raw cotton, except linters.....	3,971	3,578		393				
Chemicals and related products.....	235			80	47	69	39	
Medicinal and pharmaceutical preparations.....	123			30	6	69	18	
Pesticides.....	112			49	42		21	
Nonmetallic minerals.....	66	66						
Lumber and lumber manufactures.....	65	65						
Pulp and paper.....	2			2				
Machinery and vehicles.....	275			180	82	11	1	
Machinery and equipment.....	165			116	49		1	
Construction, mining, and conveying equipment.....	159			110	49			
Electrical apparatus, except generators and motors.....	2			2				
Agricultural machinery, except tractors.....	5			4			1	
Motor vehicles, engines, and parts.....	110			65	33	11		
Miscellaneous and unclassified.....	320	301		19	1			
Tobacco.....	301	301						
Miscellaneous industrial commodities.....	20			19	1			
Scientific and professional instruments.....	13			12	1			
Miscellaneous industrial materials and manufactured commodities.....	6			6				

¹ ECA dollars have been obligated to supplement \$13.4 million supplied by the Indian Government to obtain surplus United States grain sorghums through the Commodity Credit Corporation. The Indian Government is meeting the major part of the purchase price with its own dollars. The ECA financing was authorized on a grant basis from funds appropriated to ECA for "the general area of China." The difference between the market price of the grain at the time of delivery and the sum of the amount paid by the Indian Government and the ECA contribution, will be financed by the U. S. Department of Agriculture.

² Expenditures for technical personnel recruitment and training program—public health project.

³ Including \$64,000 from Bahrain.

⁴ Source of petroleum is Saudi Arabia and Bahrain; all other commodities are of United States source.

⁵ Including \$478 of industrial chemicals, except alcohol shipped to Associated States of Indochina.

⁶ Including \$477 scientific and professional instruments shipped to Indonesian Republic.

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

Source: Office of the Controller.

Mr. Chairman, I sincerely believe that if our Nation is to maintain its solvency the time has arrived to make a drastic cut in our foreign expenditures. The economy of our country will not continue to stand this excessive burden and the tax resources of the Nation have reached the saturation point where increased taxes will bring in less tax dollars.

By this program we have foisted upon the American people the burden of inflation and high prices which is preventing wage earners and those depending on fixed incomes, from receiving a minimum of the necessities of life. The aged with meager allowances from old-age assistance, pension grants or fixed dollar income, are threatened with actual starvation in many cases. The time has arrived when we must give consideration to our own people here in the United States, reduce the tax burden, eliminate unnecessary gifts and loans to foreign countries, and insist that such countries take up the burden of their own defense and rehabilitation with reduced aid from this country. For these reasons I cannot, in justice to

American taxpayers, vote for another gift for foreign aid approximating \$3,000,000,000.

Mr. RICHARDS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Chairman, I certainly would not come before the Members of this House and try to influence them to do anything or to vote any way upon the basis of my own personal merit or upon my own personal background or experience or knowledge. Today I am going to utilize my time, not to give you what I personally think about this bill, although I will say that I am for it 100 percent.

I want to compliment the chairman of the committee on the fine, businesslike, and impartial way in which he handled this bill in the hearings, giving all the time and all the fairness that was possible to every witness. I want to compliment the staff and say to the Members of this House that there has never been a staff that has worked harder or

put in more hours on a bill than has been put in on this one. They have worked until 2 or 3 o'clock in the morning for a week or so before the bill was reported, and prior to that time they worked late every night as well as every day. We of the committee, who know how much it takes out of a person to work those long hours, certainly appreciate the work they have done on this bill.

I want to bring to you today some of the excerpts from some of the testimony of men whose names are known not only to the people of the United States, but they are known to the people who love freedom—yes, and to the people who hate freedom throughout the world.

Gen. George Marshall, Secretary of Defense, who has devoted a long and valuable lifetime of service to his country, among other things, said the bill is necessary—

To strengthen the underdeveloped areas of extremely low standards of living, low standards of literacy, poor conditions of sanitation and health, and high death rates. There a large part of the world's natural resources are found and there the Communists are trying to exploit the impoverished sit-

uation to their advantage. It is the tradition of the United States to aid the aspirations of people to improve their lot. This is the time when American self-interest and the welfare of the peoples in the underdeveloped areas become a common cause which can be advanced by a judicious distribution of our economic assistance.

Foreign aid will represent about 15 percent of our total defense budget. We consider the investment necessary because we believe that it will strengthen the security of America and of the free nations.

General Gruenther, chief of staff of SHAPE, had this to say:

This question really falls into two parts: (a) Is economic strength in Europe necessary to the successful completion of the military program; and (b) is United States economic aid necessary to the maintenance of this basic economic strength?

The answer to both questions must clearly be "Yes," for this intensive build-up period in which we are now engaged.

In Europe aggression by the Soviet Union has taken all forms except that of open invasion. The Soviet has resorted to propaganda attempts to capture labor unions, attempts to stop United States arms shipments, demonstrations, and so forth. Together with the threat of actual invasion, these actions have had as their sole purpose the undermining of the morale and the will to live independently of the European population. Reinforced by the existence of the mobilized Communist forces in Eastern Europe, they have tended to create an atmosphere of insecurity and uncertainty which in itself prevents the full realization of the economic potential of Western Europe. We must combat these Soviet offensives just as we combated the open aggression in Korea. Our ultimate aim is to create the kind of economic strength which breeds such great confidence and security that the Soviet offensives cannot succeed.

In evaluating this aspect of our job in Europe a realistic and responsible United States observer would have to conclude that sufficient economic strength does not now exist to support the needs of the situation. Although European economic strength is now much greater than it was in, say 1947 (when Europe nearly succumbed to internal aggressions) it is, nevertheless, not sufficient to carry unaided the whole burden of rearmament and also permit continued resistance to the Soviet attack from within.

I depart from my remarks at this point to say that while the gentleman from Wisconsin [Mr. SMITH] a member of our committee, gave you figures to show that the Communist vote had not appreciably changed in the last 3 years in France and Italy, I want to say to you that the rate of growth before 1947 in those countries was startling, and that our economic aid did stop that growth and we have held it and in some cases reduced it, and we have solved some of the conditions which would have accelerated that growth, I am morally certain; a growth which would have happened if we had not stepped in with Marshall plan aid.

Now, William C. Batt, who was our United States representative on the NATO Defense Production Board, and a famous American businessman, cited as an example, when he was before our committee, that Belgium can make 70 percent of the minesweepers at its own expense if the United States furnishes the other 30 percent which the Belgians cannot make. Thus he said that if the

30 percent would be eliminated, the 70 percent which they can perform would be lost to the common effort of the free nations. Representatives of the United States Chamber of Commerce came before us and, testifying on the subject of foreign raw materials and the necessity of having some of those materials for our own defense needs, brought out this: A fact not fully realized is that 73 percent of the raw materials imported by the United States come from underdeveloped countries, and that a 50 percent increase in these imports during the next 2 years will be necessitated by expansion of American industry to meet defense needs. Technologically backward people living under appalling conditions of poverty, disease, and illiteracy cannot be expected to produce unaided these additional raw materials needed by the United States. So we see that in helping these people to start their economic machinery in motion we are not only helping them but we are helping ourselves.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Illinois.

Mr. JONAS. I have listened attentively to all the speakers including the distinguished gentleman from California, but I wish I could have an answer to this question my constituents daily propound to me. They want to know how we are going to finance this gigantic program of foreign aid. They are in a quandary about this situation. They are anxious to know whether we have already levied sufficient taxes in the tax bill we passed to cover the cost of this over-all plan we are talking about, or, if we vote to adopt what is proposed in this bill, will it require additional legislation of this House calling for additional taxes? That is the question with which I am confronted.

Mr. HOLIFIELD. My answer to the gentleman would be this, that when the security of the Nation is at stake we cannot allow the very laudable objective of a balanced budget to stand between ourselves and our Nation's security. If it becomes necessary for us to unbalance the budget and project forward our debt to a certain extent at this critical time in the world's history, I for one would do it, just as gladly as I would go into debt for a major operation for myself or one of the members of my family.

I appreciate what the gentleman's constituents want to know. Mine want to know the same thing. But I think this is a time in the history of the world when we cannot put a price on liberty and freedom with the threat of Soviet imperialism and aggression standing on the border of every free nation.

Mr. JONAS. I agree with the gentleman both from an oratorical and an emotional standpoint, but I still do not have an answer to my question. Did anybody appear before the gentleman's committee who gave testimony or issued a statement pointing out what we have to do to raise this additional money, or is it conceded now that if we do pass this bill in its present form we have to raise money by additional taxation? We might as well be frank with the people.

Mr. HOLIFIELD. Did the gentleman vote for the \$56,000,000,000 defense bill the other day?

Mr. JONAS. I did.

Mr. HOLIFIELD. Then the gentleman should have sought the answer to his question when he voted for the \$56,000,000,000 for national defense. I think he would come to the same conclusion if he understood the principles that are involved in this \$3,000,000,000 bill, in round numbers, as he came to on the \$56,000,000,000 bill, because I earnestly say that this expenditure is just as vital to the defense of the freedom of the world as the \$56,000,000,000. Defense of freedom does not stop at the borders of the United States in this world of high-speed jet planes and atomic bombs, it is all over the world.

Mr. JONAS. I am not questioning that, I am questioning how we are going to raise the money.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In answer to the gentleman's inquiry, I think that this is included in the budget. That is my distinct recollection. We passed a tax bill which is in the Senate. I think that if an adequate tax bill is passed in the Senate and ultimately becomes law, then all these items are involved in the estimates and in the budget and there will be a balancing of the budget. The gentleman will remember that it was first proposed that we raise \$10,000,000,000 in the tax bill. I think we passed a bill calling for about \$7,200,000,000 additional taxes. With the savings that can be made, we would be pretty close to a balancing of the budget if a tax bill is passed at around \$7,500,000,000. But the items here are included in the budget, and that is all made up in connection with the tax bill, which has already passed this body.

Mr. HOLIFIELD. I thank the gentleman for his contribution. I would say further, it is not the province of the Committee on Foreign Affairs to raise the taxes. Our province is to ascertain the need from the standpoint of foreign relations with other nations of the world and to supply that need in accordance with the best interest of our country. Once having found that need, and I assure you we went through the proposals which were made with a fine-tooth comb, and cut as much off the original request as we thought it safe to cut, and having fulfilled the jurisdiction of our committee, then it becomes the obligation of the Committee on Ways and Means of the House, of course, to raise the money—not only for that, but for the \$56,000,000,000 which we all voted for the other day, with, I believe, the exception of two votes in the negative.

Mr. FLOOD. Will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. FLOOD. I would like to make this observation in the middle of the gentleman's remarks. A few minutes ago, the distinguished gentleman from Wisconsin stated that the writer, Pearl Buck, said that America has not a friend

in the world. I have just returned from a rather extended tour of the Far East, where I visited India, Pakistan, Indonesia, an all that area. While that may be true, the lady also said in the same article to which the gentleman referred, that as long as the United States of America used food as a political club over the heads of anybody any place in the world, you will have no friends, and you are not going to convert them.

Mr. HOLIFIELD. I thank the gentleman.

In conclusion, Mr. Chairman, let me again emphasize the fact that this bill is just as necessary for the defense of world freedom against Soviet domination as the \$56,000,000,000 defense bill which was passed in the House a few days ago.

The defense of freedom is an obligation of all free nations. No one nation can do this job alone. It will take the strength in manpower and resources of all of the free nations to win this fight. I earnestly believe that this bill will help to strengthen other friendly nations so that we will not have to shoulder an impossible task unaided and alone.

While great expense is involved, in my opinion long-range economy is really our attainable goal. If we can prevent the outbreak of world war III by strengthening the free-world nations so that an aggressor will not dare to strike, then we will save the hundreds of billions which an atomic war would cause to be spent. And, of course, no one could begin to estimate the value of the human lives which we would save if war is prevented.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JUDD. I yield 5 minutes to the gentleman from Nebraska [Mr. STEFAN].

(Mr. STEFAN asked and was given permission to revise and extend his remarks.)

Mr. STEFAN. Mr. Chairman, H. R. 5113—which sets up the Mutual Security Administration—virtually destroys the effectiveness of the Foreign Service of the Department of State, a service which it has taken the best brains and the most patriotic hearts of this Republic 163 years to build.

By making the administrator of this superspending superagency an officer of Cabinet rank, he is given the same rank as our Secretary of State.

Foreign representatives of this new department will stand on a par with United States chiefs of missions everywhere in the world. Let me underline the real peril—the foreign representatives of the new agency would have power to give away money; our chiefs of missions would not. There will be no question in the practical minds of those who are spending American taxes as officers of foreign governments as to which American official is the most important.

In other words, we are called upon to witness the sunset of American foreign policy.

It is poor logic to strike at Acheson by blasting the Foreign Service—an institution which was over a century old when Acheson was born. It is lax reasoning to show distrust of the State Department by tearing it down, and sub-

stituting, in its place, the confused, flapping of agencies designed to create domestic harm and international chaos.

On the floor of the House, on July 23, 1951, I said that point 4, ECA, and other flapjack agencies had made our chiefs of mission third men on the totem pole abroad.

Let us consider carefully before relegating these public servants of the Foreign Service to fifth position on the same totem pole: to the thrusting of these Americans into the outer darkness of complete oblivion.

When we read the bill under the 5-minute rule, I will offer an amendment to somewhat improve and safeguard, in some humble way, our Foreign Service. I would be glad to consult with the distinguished gentleman of the committee and other members of the Foreign Affairs Committee on that amendment before we get to that point.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. RICHARDS. I want to say to the gentleman and to the House that there is no one in the House who knows more about our Foreign Service set-up than does the gentleman from Nebraska. He has made a study of that phase of governmental activity and he has always been nonpartisan when it came to the functions of our Foreign Service abroad. The gentleman raised the question of the danger of this new Administrator. I want to call to the attention of the gentleman that the present ECA Administrator has the very same power in a great many respects as this new Administrator over the whole set-up.

Mr. STEFAN. With this exception, that a year ago, after my objection and the objection of the gentleman himself and others, the President of the United States put out an order insisting on the coordinating of the services abroad, and clearing all of these subjects through the Chief of Mission. In this bill there is no such protection.

Mr. RICHARDS. In this bill that very same procedure is provided.

Mr. STEFAN. No. It is not in here. I have read the bill five times, at least, and it is not in there. That is what my amendment will do.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I do not like to get in the middle between the gentleman from South Carolina [Mr. RICHARDS] and the gentleman from Nebraska [Mr. STEFAN]. They are both good friends of mine. I can say that the gentleman from Nebraska [Mr. STEFAN] is certainly one of our authorities on the Foreign Service. I serve on the Appropriations Subcommittee for the State Department with him, and have done so for several years. I would like to say this: That at a conference in London on July 3 and at a dinner that evening, there were in attendance three American ambassadors and five ministers, all accredited to London. It looked like a Graustarkian musical comedy.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. RICHARDS. Mr. Chairman, I yield 10 minutes to the distinguished majority leader [Mr. McCORMACK].

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

Mr. McCORMACK. Mr. Chairman, it was my privilege on April 2, to introduce H. R. 3458 to authorize a \$150,000,000 grant to aid Israel in the relief and resettlement of refugees. The gentleman from Massachusetts [Mr. MARTIN] and I introduced companion bills.

My interest in this cause goes back to 1919 when, as a member of the Massachusetts Legislature, I supported the first legislative declaration calling for the restoration of the Jewish commonwealth in Palestine.

World War I had left in its wake a generation of homeless and stateless Jews, human beings, who appealed to world statesmanship for a the right to live in dignity and freedom in their own homeland. We understood the compelling urgency of their plea and we were convinced that the Jewish people should have a state of their own, which would be a haven for the persecuted and the scene for the revival and expression of their own culture and civilization.

The appeasement of the 1930's, the spread of Hitlerism, and the outbreak of World War II, all combined to defeat our hopes and to condemn 6,000,000 Jews—one-third of all the Jewish people—to death in Hitler's gas chambers and crematoria—a dastardly and indescribably inhuman deed.

Stunned by this barbarism, the world seemed impotent to halt the slaughter, and when the war finally ended, we remained shamefully impotent to help the handful of survivors.

For some 3 years, homeless Jews remained in displaced-persons camps in Germany and Austria—the graveyard of their kin. And behind the iron curtain, Jews who had miraculously survived annihilation by the Nazis were now being liquidated by expropriation by the Communists.

This black chapter of disaster came to a sudden and dramatic end on May 14, 1948, when the State of Israel was proclaimed. On that day, even as the new democracy was invaded, it threw open its doors and the refugees began to come home after an exile of 2,000 years.

Mr. Speaker, I am proud that this House had something to do with this regeneration of a broken people. In 1944, the Democratic Party incorporated in its platform a plank favoring the establishment of a free and independent Jewish commonwealth in Palestine. I was chairman of the platform committee in the 1944 Democratic National Convention. We called for the reopening of Palestine in 1945. Our Government advocated the establishment of the Jewish state at the United Nations. The President of the United States was the first Chief of State to recognize the new Republic.

Our hopes were justified. The gates we helped to open have remained open. In the first 36 months of statehood,

Israel gave sanctuary to 600,000 immigrants, from Europe and the Moslem world, and made plans to welcome another 600,000 in the next 3 years.

Israel's brief but dramatic history echoes the struggles of our own founding fathers to establish a free nation in the face of overwhelming military and economic odds. Just as the heroes of Concord and Lexington were pioneers in the wilderness of a new world, so the people of Israel are pioneers in the Old World, bringing the democratic way of life to a stagnant area, blighted by centuries of feudalism. Like America, Israel has been a sanctuary and a haven for the homeless and the oppressed. And like America, Israel stands ready to fight for the defense of freedom. Our two countries share the same beliefs, we are united in upholding the same principle, the freedom of the individual.

It is to the credit of Israel that she has been able to finance this huge immigration by her own sacrifices and her exertions, and her readiness to mortgage her future. She has been aided by the unprecedented philanthropy of the American Jewish community, who were concerned to see their kinsmen reconstituted in their own land after centuries of discrimination and persecution in the Old World. But the task has been far too heavy for a people so few, and the state formally appealed to us for financial assistance in March.

I introduced the legislation to authorize aid because I have been convinced that it is in America's interest to see to it that this little state is enabled to carry its immigration program to a successful conclusion. It is too much to expect the people of Israel to carry the entire burden themselves. No state in history has doubled its population in 3 years, tripled it in 6. It is extraordinary that so much has been done without outside governmental aids.

Respect for humanitarian considerations argues for American economic aid to this young republic. But self-interest also casts an affirmative vote. Every dispatch from the Near East within recent months warns of imminent conflict in the area. We receive reports of economic and political unrest, and the spread of Communist and antiwestern propaganda. It is imperative that we do all we can to consolidate our own position by strengthening those states which are resolved, like us, to be faithful and steadfast in the defense of the free world.

Since the introduction of my bill, the President has come forward with a proposal to include the Near East in our foreign assistance program. The amount that is recommended is modest in comparison with what we have done and are continuing to do in other parts of the world, and in the light of the needs and perils of the area. Since that program was first announced, tension in the Near East has mounted and the Committee on Foreign Affairs has wisely recommended a larger amount for the Near East. In my view, the committee has proposed an equitable formula. Aside from recommending economic assistance to small nations of the Near East, the

committee has earmarked \$50,000,000 for the resettlement of the Arab refugees and \$50,000,000 for the relief and resettlement of the refugees who have been coming into Israel. This is but a small fraction of the total cost. Israel estimates that her relief and resettlement program for 1 year costs approximately \$500,000,000.

The proposals of the House committee are commended by their realism, their equity, their concern for a major humanitarian problem—the resettlement of the homeless. Were we not compelled to devote so much of our substance to military and defense needs, I am sure that we would have increased the amount for economic and refugee aid in this underdeveloped region. I am frank in stating a further increase is justified, or further appropriations in the near future. And yet, in a very real way, this allocation for resettlement must be considered as a sound and effective contribution to our defense program. The resettlement of the Arab refugees will go a long way to end tension and bitterness in the area and to strengthen the economies of the Arab States. The resettlement of the Jewish refugees will greatly stimulate the industrial and agricultural output of the new State, and enhance its potential contribution, in manpower and matériel, to the defense of the Near East. Israel can be relied upon to play a major role in that cause. The Near East is in danger. It is the soft, undefended, exposed flank of Europe. Its very weakness is an invitation to attack. We must be aware of the dangers which menace an area so rich in resources, so strategic in location. The Near East may be next on the Soviet timetable. We must strengthen its outer defense, we must toughen its inner resistance. To do so is to promote the welfare and security of our own country and our own way of life. The recommendations of the committee in this area should be approved by the House. I urge such action.

Mr. RICHARDS. Mr. Chairman, I yield 8 minutes to the gentlewoman from New York [Mrs. KELLY].

(Mrs. KELLY of New York asked and was given permission to revise and extend her remarks.)

Mrs. KELLY of New York. Mr. Chairman, the objective of the Mutual Security Act of 1951 is to give realistic expression and meaning to the foreign policy of the United States. Our objective now, as it always has been, is the establishment of a just peace. That objective can only be obtained by the collective efforts of the United States and the nations of the free world. The United States recognizes its responsibility as the leader of the free world. Thus we offer this mutual security program for 1952 as concrete evidence of our readiness to exercise that leadership.

The 1952 program is part of a long-range plan with definite emergency potentiality which will enable General Eisenhower to do his job in building collective balanced military forces in Europe as a deterrent to Soviet aggression. Further, the plan will help bring about conditions in other areas of the world without which no area can be at peace.

Those who oppose this plan, while they may accept the objective, have two alternatives: First, declare war on Russia and her satellite nations; second, boost taxes and military appropriations that will far exceed what this bill calls for. Not to go through with this program would invite global war III. To refuse to assist any nation and to return to an isolation policy and await our turn to be attacked would probably mean the end of our friends as well as ourselves. This should not be the policy of a world power—a world power which has assumed and must continue to assume the leadership of the free world. This should not be the policy of a nation in its own self-interest. The mutual security program is our policy in our own self-interest. It is fundamentally and principally that. The security of the United States and the security of the free world are interdependent. The United States, geographically, economically, and politically, is more capable of survival alone than any other nation. But, for how long could it survive if the rest of the world were in the orbit of Russian domination? Does it make sense to abandon Europe or Asia or the Near East or Latin America to Soviet imperialism when we consider the strategic importance and economic value of these areas to the United States? Where would we get our critical materials? How could we meet the combined industrial potential of the Soviet Union and an occupied Europe? These are questions we must ask in our own fundamental self-interest. This is a question of survival, not of give-away programs.

The total cost of our defense is large. No one with any respect for the dollar—much less billions of dollars—can deny that. Even for a country such as ours, with our annual national production now well over \$300,000,000,000, it is a figure of importance. Congress appropriated \$56,000,000,000 for domestic defense. Today we authorize \$7,848,750,000 for foreign aid. These two figures interlock. The purpose of each is the security of the United States. The one builds up the other. The purpose of each is the security of the United States—security for American lives and homes against attack and the security of our rights and liberties as law abiding members of the world community.

What price freedom? The question is—are life and freedom worth the price? There is only one answer for Americans. The trouble is that too few Americans are fully aware of the situation, of the terrible danger that today threatens us and all free peoples. It is hard for most of us, looking out over our peaceful fields, our peaceful streets, to realize just how deadly serious is the danger we face. It was hard for us a few years back—up to, in fact, the morning of December 7, 1941—to realize how deeply we were involved in what was taking place in other parts of the world. Pearl Harbor shocked us into awareness. We paid an awful price for the lesson, a price in blood, tears, and sweat as well as in dollars. In the security program now before us, both domestic and foreign, the United States seeks to avert another and a more ghastly Pearl Harbor. It seeks

to avert world war III by rebuilding the free world, militarily, economically, and, I pray, morally. The total cost is staggering in money, lives, and disrupted homes. But, as Thomas Paine once said:

Heaven knows how to put a price on her treasures, and it would have been strange indeed if she had undervalued so precious a commodity as freedom.

So, Mr. Chairman, ladies and gentlemen, the job ahead is a big one, and it will require a wise and efficient administration. The wrong type of administration of this program could well wreck it.

**TITLE V—ORGANIZATION AND ADMINISTRATION
FOR THIS FOREIGN AID ADMINISTRATOR**

Since the Congress, in the course of legislative history, has created many governmental agencies, too often the emphasis stressed by the Congress viewpoint has been directed to the subject matter of the law without proper accent on the framework of administration.

The Committee on Organization of the Executive Branch of the Government, in their reports to the Congress on reorganization, bore down very heavily on the structural defects in each executive agency. Congress, in the past, has centered accountability and responsibility in the secretaries of the various departments and agency heads. However, this has not always been accompanied by commensurate authority for the objectives for which the legislation was enacted.

Today, we consider the mutual security bill in this respect and we should not be laggard in applying the studies made for economy, efficiency, or the modern techniques and practices of sound business. It would be timely to keep in mind that when the Mutual Security Administrator is before the other body for confirmation, the membership as well as the Administrator will be very conscious of his degree of responsibility and accountability. It is only after he has entered upon his official duties and is engaged in the task for which he has been named that the degree of authority required will be made clear.

We on the Foreign Affairs Committee are going to watch the carrying out of this program by the new Administrator, and we will do so for the benefit of the House. Section 616 of the bill before us provides, in accordance with the Legislative Reorganization Act of 1946, that the committee will oversee the performance by the executive branch of this program in the interest of an efficient and economical administration. The task is great. I feel we have set up a new organization in this bill which will measure up to its heavy responsibilities. But we in the Congress must measure up to ours.

Mr. Chairman, I have been asked many questions on the mutual security program. I have set down some of these, together with the answers which occur to me.

First. Why should the United States give aid to the entire free world?

Answer. To strengthen the will and capacity of all our associates outside the iron curtain so as to enable them to

accomplish that which is required of them in pursuit of the security interests that we have in common with them.

Second. Must we give both economic and military aid, why not just military aid?

Answer. Security requires not only armed forces and capacity to produce them but also economic strength and stability in our associate nations. Without economic strength, they will fall under internal Soviet subversion.

Third. Can we not sit down with Russia and work out our differences thus eliminating this terrible drain on our taxpayers and manpower?

Answer. In the 6 years since the war, Russia has clearly evidenced her policy of territorial domination and extension and lust for world domination. This has ranged from the blockade of Berlin to inspired insurrections in the Philippines and Malaya and full-scale hostilities in Greece and Indochina and Korea. We are always ready to negotiate. The U. S. S. R. has continually frustrated that readiness, however.

Fourth. Are not the United States, British, and French forces sufficient to cope with Russia and her satellites?

Answer. Russia has the most massive fully mobilized military machine in the world. In the west alone she has over 200 mobilized divisions with good weapons and air and naval support—in the east over 5,000,000 men actually under arms. Communism also has a well organized and effective apparatus for promoting internal disturbance, weakening morale, and impeding economic recovery and progress in the free nations of the world. This internal threat must be guarded against just as much as the external threat.

Fifth. Does not our possession of atomic weapons overcome Russian manpower in troops?

Answer. We definitely know that Russia has and can produce atomic explosions and with time our initial advantage will be overcome to a point where we can no longer rely on that advantage alone and must mobilize all our component of military strength on land, air, and sea.

Sixth. Why must the United States carry this whole load?

Answer. Our country has the greatest economic strength and largest potential military power in the world. But our civilization cannot be maintained if the rest of the world is split up, subjugated and organized against us by the Kremlin. Furthermore, we are not carrying the whole load. We are doing our share in mutual security according to our capabilities. Our friends are doing likewise.

Seventh. When will this financial burden end?

Answer. The Soviet threat is of indefinite duration. They may soon start all-out armed aggression or merely carry on their aggressive tactics short of all-out war for several more years. We of the free countries must make our defense preparations now so that our military forces can be built up and maintained as long as is necessary, and at the same time we must grow in under-

lying economic strength. This can be done because the free nations have 75 percent of the world's industrial capacity and most of the world's raw materials. If we can stave off a war, the financial burden will be well worth the price.

Eighth. Can the United States economy withstand the impact of this great burden?

Answer. While our resources will be strained by this total effort, this security job can be done. It is estimated that if necessary the United States can stand an even greater load. World war III would strain our economy even more, and probably would destroy it.

EUROPE

Ninth. Why is the bulk of the aid going to England, France, and our allies in Europe?

Answer. A free Europe is vital to United States security. Next to ourselves it contains the greatest pool of skilled labor and industrial capacity. Its military potential is a cardinal factor in building free world strength to deter Soviet aggression. Soviet subjugation of Europe would have direct and far-reaching repercussions in Africa, the Near East, the Far East, and Latin America, in sum—the entire world. The Russian intentions to engulf Europe are plain—an insecure Western Europe means an insecure United States. This is one point on which General Eisenhower is very emphatic.

Tenth. Will Western Europe ever be able to support its share of the burden to maintain a free world?

Answer. Our military and economic assistance will enable Europe to soon independently assume its responsibilities in defending the North Atlantic area and the other parts of the world where European countries have special responsibilities. We must remember that after World War II most of Europe lay devastated—trade stagnant, industry idle, housing woefully inadequate, hunger widespread, governments weak and unstable. Revival of industry and commerce are prerequisite to a revival of strength and hope for the peoples of Europe. Our Mutual Security Program is designed for that very goal.

Eleventh. Has our previous assistance to Europe such as the Marshall plan shown that it is aiding Europe in restoring its economies?

Answer. As a result of our assistance, most free European nations are producing at above 1939 levels and trade and financial stability have been restored. In several countries the Marshall plan goal has been reached 2 years ahead of schedule. Broadly, it can be said that the European recovery program is a year ahead of schedule. But now free Europe has another burden to carry—rearmament.

Twelfth. How do we determine the proposed amounts of aid?

Answer. We propose to provide only such aid which our free European allies could not supply currently for their own defense without payment in dollars and could not be financed by the recipient countries without excessive strain on their domestic economy. Such a strain would bring about internal Soviet sub-

version, which thrives on poor economic and social conditions.

Thirteenth. Why are we including Yugoslavia in our aid program?

Answer. Because Yugoslavia is maintaining a substantial armed force including an army of 30 divisions; its independence of Russia is of importance to us. We are providing only such funds as will arrest its deteriorated economy. We are prepared to help anyone who will help us in common defense.

NEAR EAST—NORTHERN AFRICA

Fourteenth. Why are we concerned with Northern Africa and the Near East?

Answer. This area lies athwart of the principal lines of sea and air communication to the entire Eastern Hemisphere. It is a source of prime strategic material such as oil—supplying three-fourths of Western Europe's petroleum requirements. Since World War II and even prior the Soviet have made this area a target for its propaganda, intimidation, and guerrilla warfare designed to exploit social unrest and racial antagonism; i. e., Iran, Egypt, Israel, and so forth. It is one of the key areas of the world.

ASIA AND PACIFIC

Fifteenth. Why are we concerned with an area that is so far removed from ours, such as India, Burma, and so forth?

Answer. This area is especially vital to United States interests. It produces 60 percent of world tin, 95 percent natural rubber, all of its jute as well as many other commodities and minerals. It contains the only important petroleum reserve between California and the Persian Gulf. It accounts for approximately 30 percent of the world's population and contains large resources of strategic materials essential to a free world productivity.

Sixteenth. What evidences do we have that the Communists are attempting to infiltrate and encroach?

Answer. (a) The waging of war by satellites in Korea; (b) attempting to invade and take over Formosa; (c) supplying arms to the revolutionists in Indochina; (d) intensification of subversive tactics by Communists in all areas where actual war is not being waged.

Seventeenth. Are we expected to arm and equip this vast area?

Answer. No. These countries are not without their defenses against communism but they need help to start promptly on their plans to improve living conditions, public health, and confidence in their Government. The major problem is the discontent among large masses of their people because of disillusionment that their independence gained after World War II was not immediately accompanied by economic betterment. Our program will provide technicians and training in health, agriculture, transport, and communications. This will do much to better their conditions. Our military is aimed at enabling these countries to preserve internal security and discourage external aggression.

LATIN AMERICA

Eighteenth. What threat are the Communists in Latin America to the United States?

Answer. There is definite evidence of Communist subversive activity. The Soviets and extreme nationalists have been fomenting anti-United States sentiments—existing social unrests stemming from low standards of living and ignorance are fully exploited.

Nineteenth. Why can we not continue to get Latin-American cooperation as based on the good-neighbor policy?

Answer. Latin-American governments' foreign policy reflects their public opinion at home. Under-cover political subversive activities by Communists and extreme nationalists can and does sway such public opinion. They look to us for leadership in the Western Hemisphere defense. If we do not aid them militarily and economically many of the moderate governments might be compelled by these subversive groups to withdraw from cooperation with the United States.

Twentieth. Why is this area so strategic to the United States?

Answer. During World War II, we were required to station more than 75,000 troops and use naval installations to guard our installations and critical areas in South America. Unless these nations are supplied with this aid which will give them political stability and military forces we will be called upon again to use our own troops and resources in the event of another such emergency.

Twenty-first. Just how dependent are they on us and we to them?

Answer. In 1950, we imported 35 percent of our total imports from them including 46 percent of our wool imports, 61 percent of petroleum, and more than 50 percent of lead, copper, nitrate, and sisal fiber. They in turn imported from us about 50 percent of their total imports including 30 percent of our total exports of machinery, 38 percent in chemicals, 40 percent in textiles, 44 percent in automobiles, 40 percent in iron and steel advanced manufactures. It is obvious that they represent an important segment of our economy.

Twenty-second. Cannot these governments supply their own military needs?

Answer. Except for Canada, the United States is the only significant producer of military equipment. They look to us for such aid particularly where the task is outside the bounds of defense of their national territory. In the interests of cooperative defense of our hemisphere the United States should assist in providing equipment and the training needed.

Mr. Chairman, I wish for the Record to correct a printer's error which appears on page 60 of the Committee Report on the Mutual Security Act of 1951—House Report 872. The last paragraph on that page reads:

It is not the intention—

And so forth. The word "not" should be eliminated. The word "immigrants" in the next to last line should read "emigrants." These changes conform the language to the intent of the Committee that no funds authorized under the proviso to section 101 (a) (2) should be made available to any international

organization, institute or office which has Communist countries in its membership.

Mr. VORYS. Mr. Chairman, I yield such time as he may require to the gentleman from Tennessee [Mr. REECE].

(Mr. REECE of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. REECE of Tennessee. Mr. Chairman, it is unfortunate that ample time has not been allotted the House for a full discussion of this important subject but it seems that Congress usually gets in a hurry when we are giving money away. On the basis of the economic recovery in postwar Europe to the end of the calendar year 1950, there is today substantial ground for the contention that all forms of direct economic assistance might well be discontinued. I do not at the moment address my remarks to the program for military assistance, but only to the direct program of economic rehabilitation, as conducted under the Marshall plan. Such programs account for a considerable proportion of the funds authorized in the pending measure. Substantially, all such funds are unnecessary at this time and should be deferred until our own massive rearmament and retooling program at home is completed. To attempt further peacetime economic rehabilitation in Europe, Asia, Africa, and the western hemisphere, while at the same time pressing forward at home in an ever-expanding defense program, is to invite the disaster of inflation, bankruptcy, and ruin—and thus to undermine the defenses not only of America, but of all the free world.

The President's report on the accomplishments of the Marshall plan through 1950 informs us that at the end of last year industrial activity in Western Europe attained a new postwar peak approximately 38 percent above the average for 1938. Steel production in Europe closed the year 1950 at the annual rate of 54,000,000 metric tons, the highest on record. Production of motor vehicles, textiles, and shipbuilding were at new postwar highs. Electric energy production was 75 percent above 1938. Agricultural production was 10 percent above the prewar average. During the fourth quarter of 1950 export volume from Western Europe was 57 percent above the 1938 level. There is now but little unemployment in the NATO countries.

During the last quarter of 1950 more than \$800,000,000 of Marshall plan funds—the counterpart funds—were released by the United States authorities to reduce the national debt burdens of the participating countries. Here you have the whole picture—American taxpayers paying off part of the national debt of the Marshall plan countries; and this, at a time when every dollar of Marshall plan assistance was coming either directly from the United States taxpayers, or being added to the United States national debt, which already stands at the breath taking—and dangerous—figure of \$1,653 per capita, and this in addition to the indebtedness of the States and various local levels in government.

However much one may say in defense of economic assistance abroad, as a theory of combating communism, the question yet remains whether we should continue to pile up the United States national debt with funds used, in part, to reduce the national debt of the beneficiary nations. America simply cannot carry the rest of the world on its back.

It has been charged that the Marshall plan, far from combating communism in Europe, actually has sustained and maintained numerous socialistic governments, which otherwise would have ceased to serve the march of Marxian theory on the Continent. The Marshall plan funds diverted to reducing the outstanding debt of these Socialist governments in Europe enabled those very governments to boast of the success of their socialistic ventures, at the direct expense of the American taxpayers. I call the House to a fitting mood of responsibility in this hour of grave decision. We must stop financing socialism the world around:

We are entitled to ask, also, whether the foreign economic aid we have furnished has, in fact, paid off in its major aim, reducing communism and the threat of communism in Europe.

In France, in the last general elections this summer, one vote out of four was for the Communist candidates. That is exactly the same as if the Communist Party had gained 12,000,000 votes in a United States national election, instead of the 1,156,000 garnered by the Henry Wallace Communist ticket in the 1950 election. Yet this is the result of our give-away endeavors in France—more than \$4,000,000,000 in Marshall plan assistance to France in 5 years—all for a drop of 6 percentage points in the total Communist vote.

A like story is told in the most recent Italian elections. There the Communists gathered two out of every five votes cast; as if the United States had registered 20,000,000 Communist votes in 1950. We had already poured \$2,000,000,000 into Italy in Marshall plan aid, and were rewarded with an increase of 4 percentage points in the total Communist vote in the last elections.

This is indeed making very costly progress against communism at a snail's pace—and at the same time supporting Socialist governments from the Aegean Sea to the Baltic.

As one discerning American editor has put it:

The big question is how much dependence the United States can safely place upon the strength of nations whose armies, governments, diplomatic machinery, unions, industries, and educational systems are honey-combed with Communists and Communist sympathizers.

On the age-old legal principle of reasonable doubt, we should consider if the time has come to suspend all further programs of economic aid to Europe in favor of our own immediate defense needs.

Lavish aid for bankrupt Socialist governments overseas is depriving millions of American communities of sorely needed public-service facilities. So much taxes are rolling out of the counties to

these give-away programs overseas, that there is no more taxing power available at home to build sorely needed new schools, new hospitals, new sewerage systems, roads, airports. In a very real sense, America is denying the urgent needs of normal American growth and development to launch new aid programs abroad. Last year, right here in America, the 48 States and various local governments spent only \$5,500,000,000 on public education. Yet, in this bill we are asked to give much more than this in foreign aid, a substantial part of which is to go for schools, public health, and internal improvements in other lands. The question is, how can we justify it? The share of the cost of this bill to my own State is \$118,000,000.

In defense of these fabulous—if somewhat soft-headed gifts abroad—the administration tells us that such aid is absolutely inescapable if we are to encourage the nations to defend themselves against the threat of Communist invasion.

Of course, there is no logic whatever supporting the theory that people and nations must be bribed by the United States Treasury to defend themselves.

Further, there are no figures to support the suggestion that these nations are making any appropriate effort to carry their fair share of the free world's defense load.

With our current military and defense assistance budgets ranging in the neighborhood of \$80,000,000,000 for the fiscal year ending June 30, 1952, this country will spend about 23 percent of her national income on defense items. No other country in the North Atlantic Treaty Organization—NATO—approaches that percentage in total defense spending.

Britain will spend about 9 percent of her national income on her defense budget, and Canada will spend only 8 percent of her national income for military items—both a far cry from the 23 percent already earmarked by the United States. France will do little better in this percentage table than England; her total is fixed at 9.7 percent of the national income. Other figures: Belgium-Luxemburg, 4.3 percent; Denmark, 2.8 percent; Italy, 6.3 percent; Netherlands, 7.5 percent; Norway, 5 percent; Portugal, 2.9 percent.

Clearly, the nations of Europe are leaning heavily on the United States Treasury. Why should it not be a fair and reasonable proposition for the United States to limit its overseas assistance to the same percentage of effort as Europe puts forth in its own behalf? If defense is deemed worth only 3 percent of the national income to any nation, why should the United States contribute enough to make that nation's defense budget equal 5 percent of its income? Defense can never be worth more than the value put on it by the nation involved. If any nation in Europe is satisfied with a 3 percent defense budget, it likely will have a 3 percent defense system, regardless of how much Mr. Acheson may seek to pour into that country in arms assistance.

Since 1940 the United States has budgeted \$128,000,000,000 for overseas assistance, including the 1952 aid program now under considerations. This figure, of course, has been on top of \$178,000,000,000 spent and budgeted for the fiscal years 1945-52 on our own defense programs. This makes a total of \$306,000,000,000 already allocated out of American production for world defense against the Communist threat. If the other nations are unwilling to carry their fair and equal share of this load of defense, the American people obviously are being deceived and defrauded into a quagmire of paper defenses—and at a cost which threatens the solvency and survival of the Nation. The one great bulwark for the defense of freedom against Communist aggression is America's system of enterprise of free labor and free management, which has given us this great productive capacity. If we exhaust our own economic resources, the cause of freedom will be lost everywhere.

The time has come when American policy must look firmly to the defense of America.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. MERROW].

(Mr. MERROW asked and was given permission to revise and extend his remarks.)

SOVIET IMPERIALISM

Mr. MERROW. Mr. Chairman, Soviet imperialism is the direct cause of the present dangerous international situation. Following a policy of brazen aggression, the Soviet Union has spread its control and influence over many nations. In 1939, Soviet Russia had an area of approximately 8,000,000 square miles and a population slightly in excess of 170,000,000. The Moscow-dominated world today includes over 13,000,000 square miles, with a total population of about 750,000,000 people.

The Soviet Union maintains the most extensive military machine in the peacetime history of the world. Its position is external aggression. Soviet-dominated Communist parties are ready to spearhead internal subversion. These are the simple facts that compel the free world to guard its freedom by increased armament.

COMMUNIST ACTIONS AND PHILOSOPHY

The Communists by their actions have demonstrated to the world that they intend to dominate and impose their philosophy upon the entire earth by any method possible, be it by infiltration, forceful seizure of governments, or by military conquests. One has only to read their pronouncements to know that they have sworn eternal hostility to the free institutions developed over many years by the efforts, the sacrifices, the blood, and the lives of those who have believed in the principles of the free democratic world. According to Soviet ideology, democratic and free ideals must be destroyed. In their place they plan to establish totalitarian tyranny. While we meet here today there are millions of people who are in the chains of slavery clasped upon them by the Soviet government.

Never before have free civilizations been challenged with such viciousness and with such sinister determination to destroy all that we hold valuable in human life. Never before in the long history of man's rise from his primitive state has he been confronted with so many dangers as beset him in the current world. One can predict without fear of error that the decade of the fifties will be recorded by the historians of the future as one of the most crucial 10 years in man's long difficult struggle to establish a stable and decent world in which people may live out their lives from imminent enslavement and death.

We must keep constantly in mind the tenets of communism which have been dinned into the ears of people for many years, the acts of the Soviet Union, the monotonous recalcitrance of their diplomats, and the utter refusal to cooperate in endeavors to establish any kind of an international society of stability and peace. In view of this, we must under no circumstances lessen our determination to increase our own strength and the strength of our allies as we gird ourselves to protect and defend the free world. In the event that the aggressor should decide to make good his oft-stated intention of dominating the free world by a military attack we must be so well prepared that his rashness will meet with complete and utter defeat.

PHONY PEACE OFFENSIVE

We must first recognize that the current peace offensive is but a phase of Soviet diabolical planning designed to ease and relax the nations of the west in their concerted efforts to construct defenses. The word peace as it is employed in the upside down language of Soviet diplomatic talk is fundamentally a cover for policies and programs whose sole objective is the extension of Soviet power. The peace offensive is designed to produce the establishment of preconditions for the ultimate domination of the world by the Soviet Union.

The current emphasis placed on peace as reflected by Malik's proposal for a Korean cease-fire, the extensive publicity for a five-power peace pact, and the reappearance of the theme Peaceful Co-existence are put forth to foment disunity among the free nations. All these moves are made to encourage relaxation of the free world in its defense efforts. The Soviet Union has tested the firmness of American resolve and the solidarity of the NATO alliance against a background of war in Korea. They are now testing them against a background of peace protestations.

The Kremlin is disturbed by the rapid improvement of American fighting strength and the increasing success of the program adopted by the free world to construct military power sufficient to thwart the threats of the aggressor. The Kremlin, anxious to weaken the NATO structure, is seeking to prevent Germany from making full contribution to the defense of Western Europe, is trying by every means to reduce the scope of our rearmament program, and is undoubtedly seeking to bring about an outbreak of hostilities in many sec-

tions of the world. Through monstrous lies and vicious propaganda, Moscow is striving to confuse all people, to foment unrest, to produce dislocation, to frustrate all attempts to create a peaceful international society, and is ceaselessly pushing a program of world domination.

Recent evidence of bad faith on the part of the Communists is their refusal to reach any agreement in Kaesong. Vice Adm. Charles Turner Joy, who is chief of the Allied delegation, recently said to them:

You are engaged in these conferences only to present demands, not to negotiate solutions.

Communist China with whom Moscow is cooperating has given ample evidence that the Communists will not negotiate in good faith. They have clearly demonstrated that the Malik proposal was not made with any desire to reach solutions in the Far East.

In all probability the phony peace offensive will increase in intensity. We must not be misled by any of the statements emanating from the leaders of international communism in Moscow. Under no circumstances should we relax in our determination to build rapidly our defenses. To the various suggestions coming from the leaders of the Soviet Union in their peace statements, we must continue to answer with resounding action as we did last week in passing a military appropriation bill of over \$56,000,000,000, as we did this week in approving on Tuesday over five and one-half billion dollars for military construction, and as I feel certain we are going to do in making authorizations to aid friendly nations as proposed in the bill under discussion. This program for help to European and other free nations in the Near East, the Far East, and Latin America who are with us in this greatest enterprise ever undertaken by freemen is an integral part of the defense program of the United States. The current enterprise in which we and our allies are engaged has as its goal the continuation of a way of life that holds inviolate the dignity of the individual, a way of life that has as its very core the finest ideas and the highest ideals to which the human spirit is capable of aspiring.

The United States today stands in a position of leadership unequalled in all the decades of human history. This republic has an opportunity the like of which destiny has never accorded any power. The struggle that is now joined is between freedom and totalitarianism. This is an age-old conflict but today it is being fought on a more extensive scale than ever before. The outcome will be even more significant than the outcome of previous engagements which freemen have had with tyranny.

EVIDENCES OF SINCERITY

If the Kremlin is actually and sincerely interested in establishing a peaceful world, the Soviet leaders could quickly and easily demonstrate this by straightforward action. Action would speak louder than any of their statements. Let the Soviet Union conclude a treaty of peace with Austria. Let

them live up to their solemn pledges made during the war. For instance, let them hold free elections in Poland and other countries under their domination. Let the Soviet Union cease its vicious propaganda against the United States and other free nations, release from prison those who are unjustly incarcerated, extend freedom of travel to their own citizens and to the citizens of other countries who wish to visit Russia, stop the ceaseless agitation through Communist Parties all over the world, actually begin the demobilization of the huge Red military machine, display a willingness to reach solutions to international problems at the conference table, cease the chronic habit of blocking the work of the UN, and then the free world would be convinced that the Politburo means what it says.

Were this to be done, the Kremlin would have no difficulty in convincing the world that it is actually concerned about peace. Until such actions are forthcoming, there is no alternative but to construct our defenses at top speed. By the record and by the actions of Moscow, there is nothing to indicate that the Communists are sincere when they say that they desire peace. There is nothing to indicate that they do not intend to strike when they consider the time propitious. Until the actions of the Soviet Union show that the goal of world domination has been forsaken and that the Kremlin is willing to live and let live, we must be prepared for any possible assaults which may be perpetrated upon us.

PROPOSED LEGISLATION

The Mutual Security Act of 1951 which we are currently considering is a bill to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Section 2 contains a declaration of purpose. The proposed legislation is for promoting the foreign policy of the Republic by authorizing military, economic, and technical assistance to friendly countries. This is for the purpose of strengthening the defenses and the security of the free world. This measure is as much a national defense measure as are the appropriations for our own Armed Forces. It is an integral part of our national defense budget.

TITLES IN THE BILL

There are six titles in the bill. Military and economic aid is provided for Europe, title 1; for the Near East and Africa, title 2; for Asia and the Pacific, title 3. Title 5, organization and administration, sets up a single administrator to handle all types of aid patterned along the lines of experience gained by the ECA. Title 4 provides assistance to the American Republics, and title 6 is a section of the bill that contains a series of general provisions for the purpose of carrying out the act.

PROPOSED AUTHORIZATIONS

The Mutual Security Act authorizes \$5,028,000,000 military aid for Europe;

\$415,000,000 military aid for the Near East and Africa; \$530,000,000 military aid for Asia and the Pacific; \$40,000,000 military aid for the American Republics. It authorizes \$1,335,000,000 economic aid for Europe; \$175,000,000 economic aid for the Near East and Africa; \$248,750,000 economic aid for Asia and the Pacific; and \$22,000,000 economic aid for the American Republics. Under title 6, general provisions of the bill, a total of \$55,000,000 is authorized for the acquisition of strategic materials.

The total authorization for military and economic aid amounts to \$7,848,750,000. Of this \$6,013,000,000 is for military assistance, and \$1,835,750,000 for economic help. The administration requested for the various titles a total of \$8,500,000,000. The committee cut this by \$651,250,000.

EUROPE NECESSARY TO FREE WORLD

Although aid is provided in this measure for friendly nations in the Near East, Asia, and the American Republics, the major part of our assistance is to go to Western Europe. In view of this I am going to devote my remarks to this part of the world. This does not mean, however, that our help in other areas is of any less importance.

One does not need to argue how necessary a free Europe is to the continuation of the free world. This continent has a population of over 200,000,000 people, a great and growing productive capacity, and a cultural heritage that forms the basis of our own civilization. In the interest of the United States security, we must continue to do our part in helping Western Europe so that its people, the great resources of the continent, and its productive capacity will be harnessed on our side in our great effort to contain the vicious threat of communism and will not fall into the hands of the Communists. Should this latter eventuality occur, the balance of power would well be tipped against us. It is difficult for me to see how the North American Continent could continue to exist as an island of freedom in a world enchained and enslaved.

Europe and the other friendly nations of the world need United States assistance. All free peoples must exert the greatest possible effort in their own behalf in making as much of a contribution as they can for their own self-help. By doing this we and they working together will be empowered to realize the greatest hope of man—the perpetuation of free institutions.

UNIFICATION OF EUROPE

The subject of European unification has aroused great interest in this House, in other parliaments, and in the foreign offices of free countries. As recently as the 3d of July I had the opportunity of listening to Gen. Dwight D. Eisenhower deliver a speech at a testimonial dinner given to him by the English Speaking Union in London. In his address, one of the finest I have ever heard, he emphasized European unity.

The general said:

But with unity achieved, Europe could build adequate security, and at the same time continue the march of human betterment that has characterized western civil-

ization. Once united, the farms and factories of France and Belgium, the foundries of Germany, the rich farmlands of Holland and Denmark, the skilled labor of Italy, will produce miracles for the common good. In such unity is a secure future for these peoples. It would mean early independence of aid from America and other Atlantic countries. The coffers, mines, and factories of that Continent are not inexhaustible. Dependence upon them must be minimized by the maximum in cooperative effort. The establishment of a workable European federation would go far to create confidence among people everywhere that Europe was doing its full and vital share in giving this cooperation.

So effective was General Eisenhower's speech that former Prime Minister Winston Churchill who was present at the banquet termed it one of the greatest to which he had ever listened.

CONGRESS SETS THE GOAL

The Congress in the Economic Cooperation Act establishing the ECA stated it to be the policy of the people of the United States "to encourage the European countries through their joint organization—the OEEC—to exert sustained common efforts to achieve speedily that economic cooperation in Europe which is essential for lasting peace and prosperity." In reviewing the act the following year, the Congress further emphasized its belief in the need for the closest possible cooperation among the European countries by stating the same thought more explicitly and adding to the preamble that it was "the policy of the people of the United States to encourage the further unification of Europe."

Although today Europe is neither economically integrated nor politically federated, the concept of European unity which the Congress encouraged has already found expression in the creation of several important European organizations. Long strides forward have been made in the economic, political, and military fields.

ORGANIZATIONS FOR UNITY

The several organizations which have promoted the unity of Europe include the Brussels Treaty signed in March 1948; the Organization for European Economic Cooperation; the North Atlantic Treaty Organization; the European Payments Union; the Council of Europe; the Schuman plan; and as recently as July 24, the establishment of a plan to merge the military forces of Europe into a combined authority.

THE ORGANIZATION FOR EUROPEAN ECONOMIC COOPERATION

In April 1948, the Marshal-plan countries established the Organization for European Economic Cooperation. This was created to bring about sound economic conditions and ultimately to free themselves from outside assistance. The countries were determined to reduce trade barriers progressively and set up institutions for achieving the goal of economic unity.

After World War II the countries of Europe to conserve their dwindling reserves of foreign exchange for the purchase of commodities essential to recovery, and as a bargaining device to induce other countries to accept its ex-

ports, maintained a wall of restrictions on imports chiefly through import quotas and currency exchanges. To break down these barriers the OEEC instituted its trade-liberalization program. This provides basically for a progressive removal of quantitative barriers to imports from other OEEC countries. As a result, trade in Europe has increased far above its prewar levels. It is moving in a more efficient pattern.

EUROPEAN PAYMENTS PLAN

The European Payments Union, established by the OEEC countries on September 19, 1950, provides essentially for a multilateral system of intra-European payments. Deficits incurred in trade with member countries can now be offset by surpluses in trade with other members. As a result, the EPU reduced bilateral payments difficulties among the OEEC countries. The countries are now concerned rather with their over-all position in the EPU. It is possible for an importer in one OEEC country to buy from an efficient producer in another OEEC country as a result of the improved system of intra-European payments.

COUNCIL OF EUROPE

In March 1949 the Western European countries established, with headquarters in Strasbourg, the Council of Europe composed of two organs, a Committee of Ministers and a Consultative Assembly. During the recent testimony on the mutual security program, I asked the Honorable George W. Perkins, Assistant Secretary of State for European Affairs, for his estimate of the work of this body. He replied:

The Assembly has debated many problems of European significance, including social security, human rights, full employment, treatment of refugees and the elimination of visas, and has made recommendations to the Committee of Ministers. Although the powers of the Assembly are currently quite limited, the Council of Europe serves as a focal point for the movement toward a United Europe, as a unique forum for consideration of problems from a European point of view, and as a testing ground for the concept of a European parliament.

Such procedure is unique among international organizations. Because of its composition and the attendance at its sessions of leaders like Winston Churchill, Spaak, and Aulaut, the Consultative Assembly of the Council of Europe has been in a position to play an important role in marshaling public opinion in Europe on a wide variety of pressing issues. It is stimulating action in fields ranging far beyond those within the direct responsibility of the council.

THE SCHUMAN PLAN

In the spring of 1950, Mr. Schuman proposed that the entire French and German production of coal and steel should be placed under a joint high authority within an organization which would be open to participation by other European countries. In first announcing the proposal Mr. Schuman declared that—

This proposal will create the first concrete foundation for a European federation which is so indispensable for the preservation of peace.

Similar sentiments were expressed in April of this year when representatives of six nations—Belgium, the Netherlands, Luxemburg, France, Italy, and Western Germany—signed the treaty for the creation of a European coal and steel community.

The treaty is now before the parliaments of the member states for ratification. If the principles embodied in the treaty are fully realized, the coal and steel industries of the six countries will become a single community.

ORGANIZATION OF DEFENSE COMMUNITY

As recently as July 24, a spokesman of the French Government announced that the delegates of five European countries, France, Western Germany, Italy, Belgium, and Luxemburg, had agreed on the principle of merging their national military forces into a combined European army under the authority of a European defense minister. Such a merger would eliminate many of the obstacles to a substantial German troop contribution to European defense. It could also be hoped to increase the combat efficiency of the fighting forces through greater standardization of methods and equipment. This combined army, of course, would be placed under the supreme control of General Eisenhower, just as is now true of national forces.

FUTURE PROGRESS

The people interested in international affairs on both sides of the Atlantic agree that the future unity of Europe, politically, economically, and militarily, including the integration of Western Germany, is a prerequisite to the full development of the economic and military defenses of the Continent. As we have given economic aid to Europe, we have constantly emphasized the necessity of reaching agreements with the countries designed to achieve this purpose. As I have previously stated, we wrote into the ECA Act that the policy of the people of the United States is to encourage further unification of Europe.

Mr. Paul Hoffman as head of the ECA pushed the program of integration vigorously. General Eisenhower is doing everything possible to further progress toward the accomplishment of this goal. I am sure that the statesmen of the Continent will work unceasingly for the accomplishment of an objective upon which depends not only the future of their own people but to a great degree the future of the free world.

AGREEMENTS

I have contended over a long period of time that there should be definite and precise conditions agreed upon in connection with the extension of economic and military aid. Failure to work out conditions mutually beneficial to both parties means that we are doing not only ourselves but our friends an injustice. On several occasions during the hearings I have discussed this subject in connection with our economic and military aid. I am particularly pleased that in section 508 of this measure, entitled "Eligibility for Assistance," are these words:

No military, economic, or technical assistance (other than assistance provided under

Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the Administrator finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to join in promoting and maintaining world peace and to take such action as may be mutually agreed upon to eliminate causes of international tension.

Such agreements shall include appropriate provisions for such country to (1) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party; (2) make, consistent with its political stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world; and (3) adopt all reasonable military, economic, and security measures which may be needed to develop its defense capacities and to insure the effective utilization of the economic and military assistance provided by the United States.

No economic or technical assistance shall be supplied to any other nation unless the Administrator finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

Certainly the Administrator should have power to halt assistance unless such aid will "strengthen the security of the United States." No country should have any hesitancy in agreeing "to join in promoting and maintaining world peace." To carry out the military agreements in paragraphs 2 and 3 of section 508 it will be necessary, in my opinion, to accelerate integration. The development and the maintenance of the defense strength of each nation and the defensive strength of the free world will depend upon how closely the countries are willing to work together.

This bill also strengthens the power of the President to terminate assistance under certain conditions. Briefly these conditions fall into two categories: First, where the President determines that assistance "is no longer consistent with the national interest or security of the United States"; and, second where a recipient nation contravenes a finding by one of the two major organizations of the United Nations. The purpose of this aid is to assure peace and stability among the nations of the world. There is no reason, therefore, why this Government should give aid to any nation which seeks to upset peace and security.

Although there is much to be accomplished, we can, I believe, look forward with anticipation that increasingly greater concerted efforts will be made in erecting speedily the defenses of the Western World. The section of this bill entitled "Eligibility for Assistance" provides, as I view it, positive, forward-looking, dynamic leadership so necessary in these troubled times.

PART OF THE DEFENSE EFFORT

This measure is a vital part of our total defense effort. If we feel that the friendly countries of Western Europe and

the other free nations as mentioned in this measure are necessary in the struggle to continue the free way of life; if we believe that the defense efforts in the west, in Greece, in Turkey and in the Far East are playing a part in maintaining our own security; if we have confidence in the leadership of General Eisenhower; then it necessarily follows that there be no hesitancy in authorizing sufficient funds for economic and military assistance to accomplish the task of strengthening the free and friendly world.

Our ECA aid and our military help to Western Europe and to other parts of the world have already proved successful. In the midst of a program that is achieving results, drastic cuts would hamper our efforts. By quickly passing this measure we will provide the free world with a great psychological lift and we will have informed everybody in no uncertain terms that we intend to continue the programs against aggression which we have started. In an editorial entitled "Foreign Aid—Making It Count" the Christian Science Monitor of August 10 used these telling words:

But in building a bridge it is not of much use to construct a 1,800-foot truss to cross a 2,000-foot river.

THE GREAT DECISION

The battle of this century is to preserve the free way of life against forces that would destroy the last vestiges of human liberty. In two world wars we have fought and sacrificed to preserve free civilization from being subjected to absolutism. Even now, American boys are fighting and dying that the way of life we cherish may continue. From one end of the world to the other, freedom is being challenged. This is a struggle that will continue for no one can predict how long. The great decision is to remain steadfast in our purpose and in no respect turn away from the task that we have set our souls to perform.

Generations before us have fought, struggled, bled, and died for liberty. If we make the right decision now we hope that our generation will be spared a renewal of that conflict. Our friends across the sea are mobilizing their defensive efforts. We are also mobilizing. They are increasing their striking power. We, too, are increasing our striking power. All of us must work harder, move faster, and face the future with an inflexible determination less the noblest cause for which man ever fought should be lost to the hosts of tyranny. Just as we have begun to increase our own military strength in this difficult and dangerous period so I am confident that we will provide all that is necessary and all that lies within our power in helping our friends so that we and they, working together, may surmount the Communist forces threatening to destroy us.

The one language the Soviet Union respects and comprehends is the language of force and military preparedness. Through our defenses we will be able to preserve the peace. The free world by rapidly increasing its military forces will, I am confident, be able to prevent a general war. By rapidly aug-

menting our striking power we can avert a possible armed attack.

There is no alternative to rearming. Freemen must make ready to defend their liberties. Freemen must be determined that their way of life shall continue. As we march to the future shoulder to shoulder with our allies let us make the preservation and the perpetuation of freedom our goal, and let us keep within our hearts a deep and consuming love for our way of life that places supreme value on the dignity of human beings. In doing this we will be successful in our endeavors and will have the eternal satisfaction of knowing that we are making an imperishable contribution to the establishment of a free and peaceful international society.

[Mr. JUDD addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HAYS of Arkansas. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, probably I should not attempt to speak after the eloquent speech by my friend from Minnesota, with whom I have traveled across the country in support of a bipartisan approach to the foreign policy problems of our country. I rise to speak for a moment, however, to one or two points he has made and to the extent that I may be capable of it to fortify the principal thesis of his speech.

WALTER JUDD is one of our country's great men. He and I do not see eye to eye on every phase of foreign policy, but we do believe devotedly in a bipartisan approach to the basic problems of our country and we both have faith in the efficacy of such a policy.

I agree that General Eisenhower's mission is producing new hopes in Europe and from the knowledge I have gained from observations of his committee, I believe there is every assurance that this is the best investment the United States could make in our own security.

I have been for eight and a half years a Member of this House. This is the first year in which I have been privileged to sit as a member of the Committee on Foreign Affairs. In the years I spent as a member of another great committee of the House, I have never seen proposed legislation more fully documented, any piece of legislation more thoroughly presented than the mutual-security bill which is now before the House.

There was presented to us, as the chairman of our committee said in his splendid opening statement, the finest authorities that this Nation could summon in support of a proposition. I shared the views of the gentleman from South Carolina in 1949 when he questioned the wisdom of granting the full request of the executive department for military aid for Europe, and largely in response to his appeal and that of the gentleman from Ohio [Mr. VORYS] who ably presented that point of view, the House trimmed that request. At the time I concurred in the action. Whether we were right or wrong, the fact remains that conditions have changed. If reasons existed for a substantial reduction then they do not exist now.

The reason for it is that there is a new attitude in Europe and a new program. Now, America must never lose the sense of teamwork in this great enterprise. That has been the substance of every speech General Eisenhower has made and if we fail in the exercise of our great power and influence we will destroy the team spirit.

I know there is a tendency to invoke economy when measures of this kind are presented. It is an easy thing to do. It is posed as America's interest in conflict with the interest of other nations. That is an easy question to resolve. But it is a false posing of the issue.

There is no justification for this bill unless we see it as in our national interest. That does not mean it is against the interest of other nations, but rather that we recognize our identification with the rest of the free world.

Mr. Chairman, in my travels with WALTER JUDD, I was occasionally, perhaps, a bit patronizing. I enjoyed saying nice things about the Republican Party. I forgot some of my Democratic speeches long enough to enjoy good fellowship on that trip. I went so far sometimes in the spirit of sportsmanship to point to mistakes of my own party that I thought might justify the occasional reference to the mistakes of his.

At the turn of the century the Democratic Party, which is the object of my affections, failed in its larger duties in some respects, and it was the Republican Party that pointed the way to a participation in world affairs by the young Republic. Mr. Bryan, who was often right, but occasionally wrong, though always seeking the country's good, opposed the exertion of American influence in the Orient, charging that it would lead to imperialism, and it was the Republican Party that led the way, that made a contribution to the cause of freedom and of independence in that period. Our participation in the Philippines was a part of that great venture under the dream of a laudable world enterprise. I say that in order to make sure that a reference will be made in this debate to our concern for bipartisan handling of foreign-policy matters. Historically, we Democrats have had no monopoly on the idea of participation in world affairs. In my opinion, the students of history 50 years from now will be as puzzled by 1950 opposition to helping free nations fight communism as we are now by Mr. Bryan's speeches in 1900.

There is a disposition, however, for us to yield, in view of the staggering tax burdens that are involved—and we must never discount them—to those who would say we cannot afford to take this step. The answer, of course, is that we cannot afford not to take this step. That has been well covered. But we are in danger, because we must speak in terms of billions of dollars, of underestimating the tremendous capacity of our country. I hope I will not be misunderstood. I hope I am as sensitive as anyone to the fact that our resources are not limitless and that somewhere along the line we must find a way to settle the world's conflicts without a resort to arms; we must not place our reliance exclusively upon

huge armaments. They are too expensive. It cost Julius Caesar—and his empire was large enough to require 30 days for his marching men to go from one end of it to the other—only 50 cents to kill an enemy. It costs the United States of America \$50,000. The war system must be abolished if for no other reason than that we cannot afford it as a permanent institution, but our negotiations for peace can never succeed if the free world bargains as a military inferior.

On the other hand, Paul Hoffman, a tough-minded businessman, who holds the confidence not only of our country, but of the free world, has pointed out that 50 years ago, with only 6 percent of the world's population, we were producing 20 percent of its wealth. Today, with 7 percent of the world's population, we are producing almost two and one-half times, percentage-wise, and the world is therefore entitled to look to us for leadership by reason of our tremendous industrial capacity. It would not be good for our economy, however, for that situation to continue. Measured in terms of absolute production, of course it is wholesome for the sinews of war are being produced here. But, it would be desirable as an economic situation for us to help the non-Communist nations of the world improve their productiveness to the point where they can claim a larger share and the percentage of American industry gradually go down. I mentioned Mr. Hoffman's comparison primarily to inject his spirit of optimism and his warning that a sense of despair about the temporary load need not overtake us. I think that is entirely compatible, Mr. Chairman, with what I said about the ultimate hope of resolving conflicts of the world on other than an armament basis.

But if I believe anything as a result of this well-documented case it is that the interests of our country are at stake. I believe that we have come to one of the turning points in history, and that America, utilizing the great moral and intellectual resources that belong to both of our political parties, as well as the great material resources can lead the world into a brighter day.

For that reason I am supporting the chairman. I think he brought to the difficult task of screening the requests keen insight and a conservative mind that are serving the Congress and the people. His bill represents a cut of almost \$800,000,000 from the requests and his compilations have had committee approval. Of course, the Committee on Appropriations must make its study to follow this.

Our country has not acquired greatness in the eyes of other people by productiveness alone, but its greatness is measured in terms of world relations and world service. If we should refuse to devote ourselves to the task of preserving freedom and justice in the world, we would lose some of the values that have distinguished us and we ourselves would suffer most.

I had not intended to speak at this length. Mr. JUDD's remarks revived recollections of our trip together a few months ago and I am yielding to the im-

pulse to speak. I endorse everything he has said about the necessity of teamwork, the importance of our meeting the obligations that world leadership carries.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Illinois.

Mr. SPRINGER. I know there are many on this side who are somewhat disturbed by the question that was raised a few minutes ago by the gentlewoman from Illinois; that is, the question of troops to Europe. I think one of the arguments that has been made in favor of this bill is that we would support the troops of those countries and provide them with the arms to fight their own battles. I think the gentleman from Minnesota and the gentleman from Arkansas followed up with a point well taken, that we do not realize, I think, in this country the moral force which an army of ours has when it is on foreign soil in keeping back the threat of Russia's aggression.

To take the best example, does anyone in this House believe that the North Koreans would have attacked the South Koreans if there had been present at that time on the Korean soil an American army such as we had there less than 18 months before that attack took place? I think that is the thing you would have in this troops to Europe under this situation. There has been a great deal of argument as to how much it should be, but I do think it is important to bring out that point as proof that we can turn back this threat of Russian aggression by the presence of troops there.

Mr. HAYS of Arkansas. I thank the gentleman for his observation, and I think it is a helpful one. I agree that the gentlewoman from Illinois, who always speaks to the point and who makes a real contribution to our discussions, has raised an important point. I agree with what the gentleman said about the moral effect of the presence of our troops where they are needed to inspire confidence on the part of our allies and to share in this total enterprise.

You have to see it in those dimensions. It is a matter of making the military assignments to the team members on the basis of their respective abilities and potentialities. For that reason, the reference of the gentleman from Minnesota [Mr. Judd] to Holland was relevant.

The United States is entitled to raise the question as to whether our contribution in land forces would be disproportionate, at a given time, but it cannot be resolved on the right basis unless we act in the team spirit and unless the discussion is entirely free from incrimination between the team members. One of the witnesses before our committee said that the greatest mistake we could make would be to think in terms of a wall of human flesh to resist a potential aggression. But all of these factors are being carefully evaluated. They are being evaluated with the purpose of getting America entirely out of Europe, as strength is built up and dangers pass. There is no question about that being a part of our calculations.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. O'HARA. The gentleman is honest enough, I am sure, to concede that if we have 400,000 troops in Europe when a war may break out, that we are going to be committed to send many more troops over there to try to save as many men as we have there. I am sure the gentleman is honest enough to see that that enters into the picture. It is not only a question of morale and the spiritual effect of having these troops there, but there is also the question of America being committed so that we will be dragged into the battlefields of Europe from that point on.

Mr. HAYS of Arkansas. If the gentleman would prefer to fight a battle on our own soil in defense of the things I know, in the final analysis, he would fight and die for, then the question can easily be answered in his mind. But there are military factors which would make it more desirable to build our defenses where we can be strongest.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. JUDD. There can be no question on the gentleman's point that the use of American ground forces in Europe is a temporary matter to help hold the line or fill the gap until the manpower of Europe can be mobilized and equipped. That is what the program is about.

Mr. HAYS of Arkansas. I intended to say that. I am glad to have the gentleman confirm my opinion.

Mr. JUDD. I am glad to confirm it because it is true. General Eisenhower himself said repeatedly that no people can long be defended from the outside. In the long run, the defense of Europe has to be by the Europeans themselves. But, in the meantime, if we do not give them this assistance for the next 2½ or 3 years, they will be taken over before they have a chance to build up their own strength. This whole operation is to get them to the point where they can stand on their own feet without our forces.

Mr. HAYS of Arkansas. I thank the gentleman very much.

Mr. Chairman, I will not take any more time now.

Mr. RICHARDS. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. Woodrow W. Jones].

Mr. WOODROW W. JONES. Mr. Chairman, I make no pretense of being an expert on foreign affairs or to being thoroughly acquainted with the many new and complex theories of economics now prevalent in our national and international thinking. However, during the past several months, I have made a study of our over-all foreign economic-aid program, and have reached some definite conclusions in my own mind. In discussing H. R. 5113, I desire not only to point out some of the things which are contained in this bill but to give a brief review of our economic-aid program for the past 11 years.

Although not a Member of Congress, when the Economic Cooperation Act was enacted into law and the huge sums of money appropriated in compliance therewith, I found myself generally in accord with the fundamental purpose of that

act. I realized, as others realized, that through economic chaos and collapse in the war-devastated countries of Europe, communism could breed, flourish, and conquer if some sort of assistance was not made available to those nations. I felt and believed that it would be in keeping with our fundamental principles and concepts of government in the proper defense of our country against communism to extend to those war-ravaged countries a certain amount of economic aid in an effort to prevent communism from taking over those nations. In viewing the situation in Europe today, after more than 3 years of operation of the Economic Cooperation Administration, we see that great progress has been made and that, no doubt, France, Italy, Greece, and other nations have been saved from communism by our aid and assistance. While we can point with pride to the tremendous accomplishments in France, Italy, Greece, and a few other countries, we must at the same time admit that huge sums of this money have been wasted and spent foolishly. While admitting the advisability of the expenditure of a certain amount of money in the form of economic aid in other nations of the world under the ECA program, I do not and I shall not admit or support the view that this type of program or any other type of foreign-aid program should become a permanent part of our governmental program or foreign policy. Let me warn you now that many of the so-called planners are beginning to think and speak in terms of making this sort of program a permanent part of our foreign policy and governmental program. They are beginning to say that we must pour billions of dollars ever year into the other countries of the world and, particularly, into the so-called backward nations of this earth. This type of planning calls for tremendous health programs, power projects, irrigation and reclamation programs, road construction and development projects, and agricultural and educational programs. The survey for all of these projects has already been made and in some countries huge dams for power projects already constructed. Although we have said to our people here in America that flood-control dams and many other projects must wait until the war effort is over, the ECA has nevertheless gone forward with these programs in other lands at the expense of the American taxpayer.

In looking over the report of the Economic Cooperation Administration for the period ending March 31, 1951, we find that since the inception of the Marshall plan 3 years ago, a total of \$12,300,000,000 has been made available to ECA to carry out the European recovery program. Call the roll of nations participating and look at the huge sums of money allocated to these countries—France, \$2,211,000,000; Germany, \$1,189,000,000; Italy, \$1,213,000,000; United Kingdom, \$2,696,000,000; Ireland, \$146,000,000; Trieste, \$31,500,000; and on down the line. Nation after nation has received millions of dollars from the pockets of the American taxpayer and it continues until this good hour.

But this review of the cost of the ECA does not give us a full and complete picture of the total economic aid which our Government has been pouring into the other countries of the world. A complete study of our total economic aid program to the other nations reveals indeed some astounding figures. We find that from July 1, 1940, through June 30, 1951, a total of 11 years, our Government spent or had available to spend, the colossal sum of \$98,227,074,000. According to the figures provided by the Legislative Reference Service of the Library of Congress, the total sum spent as of December 30, 1950, amounted to \$84,081,074,000. This same report points out that there was available and unutilized from prior appropriations and from the appropriations authorized during the fiscal year 1951, the additional sum of \$14,146,000,000 which would be available for expenditure during the fiscal year ending June 30, 1951. When the sums of \$84,081,074,000 and \$14,146,000,000 are added together, we have the colossal sum of \$98,227,074,000. Again, call the roll of nations who shared in this over-all, total economic aid program and you can hardly think of a nation which has not shared in this fund. This aid consists of grants and credits extended and covers, as I pointed out before, the past 11 years. Let us take a look—the British Commonwealth, well over \$38,000,000,000; France and her possessions, over \$7,000,000,000; Russia, \$11,464,163,000; all of the South American republics, India, Italy, Germany, Ireland, Israel, Czechoslovakia, Poland, and practically every other nation under the sun have shared in this aid program. A review of the list of nations aided and the amount extended makes one wonder if we have not lost all sense of values and if we are not treating the American taxpayer's dollar as if it were so much sand on the beach.

But you say, this was all a part of the cost of World War II. It is true that huge sums were expended during World War II under lend lease and other types of economic aid which can be attributed to the cost of the war and our ultimate victory. However, a close look at the record discloses that the total economic aid during World War II amounted to \$49,223,875,000. This leaves the tremendous sum of \$49,300,199,000 as the total amount of economic aid since the close of World War II. Let's look at the record of this economic aid since July 1, 1945, and using the same figures provided by the Legislative Reference Service of the Library of Congress. This report indicates that as of December 30, 1950, we had spent in economic aid to the other countries of the world, the total sum of \$34,857,199,000 and that there was available to be spent by the end of the fiscal year ending June 30, 1951, the additional sum of \$14,146,000,000. And these two figures together and you get the total sum of \$49,003,199,000.

Again, call the roll of nations receiving this economic aid and credit extended since the end of World War II, and it is hard to find a Nation, however small and insignificant, which has been overlooked. Whether this Nation had assist-

ed us in the war effort or could assist us in our fight against communism didn't seem to matter. Even Russia, after the war, received from this Government of ours in grants and credits extended, the high sum of \$687,987,000. A close look at the record also discloses that Czechoslovakia, Poland, and Hungary, all behind the iron curtain now, have supped at the economic table spread by the American taxpayers. Add to all of this the more recent grants and loans to Yugoslavia and India and you have our economic aid and credit program to the other nations of the world up to this good hour. It is true that some small parts of these funds have been repaid by reverse lend-lease and otherwise, but some of the charges made by some of our allies to the account of reverse lend-lease are indeed shameful as well as ridiculous.

Assuming for the sake of argument, but not admitting, that these huge sums were not only necessary in our fight against those forces which would destroy us, and that the money was well spent, the burning question today is, "How much further can we go? Can we afford to continue in our economic assistance to the so-called friendly world?" The bill before us today calls for the total sum of \$6,013,000,000 for military aid and assistance, and for the additional sum of \$1,780,750,000 for further economic aid and assistance. Secretary of State Dean Acheson, in testifying before the committee considering this bill, stated that it now appears necessary during the next 3 years that we spend the additional sum of \$25,000,000,000 in aid and assistance to the other countries of the world. Where is the end?

We must ask ourselves this question and leave the answer to every man's conscience. "Can we rearm ourselves to the extent that we are prepared for any eventuality, and rearm the so-called free nations of the world, and at the same time shoulder the responsibility for the well-being and support of the economic system of all the other free nations of the world?" Pray tell me, how can we provide the weapons of war for ourselves and our Allies, and at the same time pour billions of our tax dollars into the economic blood stream of those countries? Pray tell me, gentlemen, how we can continue to spend billions upon top of billions of the taxpayers' money, and constantly add billions to our public debt, and remain a solvent nation. I know and you know that if we continue the present rate of Federal spending that national bankruptcy will stare us in the face. Already our people are burdened with a public debt of more than \$255,000,000,000 and soon to be saddled with a tax burden the like of which this country has never seen before. Every indication is to the effect that this tax burden must become heavier and heavier in the years to come. How much can our people stand? We are now reaching into the weekly pay check of every textile worker and wage earner in my district and in yours, and taking therefrom huge bites of their hard-earned money. Next year the bite will be bigger, and if some of this spending is not curtailed, only God in His wisdom knows what the fu-

ture holds for them and the other citizens of our country. It seems that the only forgotten man in the world today is the American taxpayer.

I am not an isolationist and have never been. I firmly believe in our preparedness program and extending military aid to our allies. I also firmly believe that to extend military aid in a reasonable amount is as far as we can go now. This is particularly true in view of the vast sums of economic aid already extended. Yes, we emerged from World War II as the leader of the free world, and the tremendous burden of stopping communism rests squarely and almost entirely upon our shoulders. We must act as reasonable men and not let the hysteria of the hour override our judgment. If we bankrupt this country, then we will not need our weapons. Communism can march at will. I firmly believe that our best defense against communism is to make and to keep this country strong from both a military standpoint and from a financial standpoint. In my humble opinion that will do more to stop communistic aggression than anything else we can do. The only language the Communists know, understand, and respect is force and the threat of force.

I shall support the huge appropriation in this bill for military assistance to the Atlantic Pact nations and to other nations who show a willingness and the ability to fight communism, but I do not, and I cannot, support any further economic aid to any nation. I have reached this conclusion after serious thought and consideration, and feel deeply that it is for the best interest of our country and our allies. I think that when the allocations heretofore made are expended, that we should call a halt to our economic aid. We should say to those friendly nations that we have assisted them in bringing their system of production back to and above the prewar levels. That they must now operate their economic system without any further help from us. We can say to these same nations that we will materially assist them in the burden of providing war weapons to defend themselves in the fight against communism, but we cannot assume forever the burden of keeping their economic system healthy.

I know that there are those who will say that Europe is expecting this aid, and that the bill has been introduced calling for this economic aid—that if we fail to grant this additional aid, those nations will become discouraged and will not make a serious effort to defend themselves. I have heard that argument and similar arguments many times since coming to Congress, and if we adopt that practice, then any sort of a bill calling for aid to foreign countries will have to be passed. Can any nation in the world doubt that we mean business in this fight against communism? We have adopted a \$56,000,000,000 defense bill and almost a \$5,000,000,000 bill for the construction and expansion of military bases. We have, as pointed out heretofore, provided all of this economic aid to the friendly nations. In addition to all of that, we are now saying to the world that although we have provided

vast sums in the past for your economic good, we are now nevertheless willing to help provide the weapons of war for your own defense. In view of all this, can any nation doubt that we mean business in our fight against communism? Can any friendly nation say we are retreating in any respect and have any grounds for such contentions?

While we are thinking of Europe and Asia, we must at the same time think of America. We must give some thought and consideration to the financial condition of our country and to the burden which we are placing upon our taxpayers. In my humble opinion, the interest of our country demands that we strike from this bill all sums allocated for economic aid and assistance. That same interest, that is the interest of our country, calls for a reasonable appropriation for military assistance to the other friendly countries of the world. In closing, let me remind you of this basic fact—if we bankrupt this country, there is no nation on the top side of the earth to extend to us any economic aid for our recovery and rehabilitation. If we bankrupt this nation, democracy will perish here at home. If democracy perishes here in America, the light of freedom will be out for a thousand years.

Mr. VORYS. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, the bill now before the House is designed to maintain our security and promote our national defense by furnishing assistance to friendly nations as a means of strengthening the cause of international peace and security.

The desire for peace is basic in America. We have always been willing to make sacrifices in an effort to provide peace and avoid the ravages of war. Thus, our people are in accord with the general purpose or objective of the bill. However, there is real concern among our people as to the extent to which we as a people can carry the heavy burden, now weighing so heavily upon us, without danger to our own economy.

It is agreed by all that there is a limit to the obligations that we as a nation can safely assume. This is particularly true with respect to heavy commitments for foreign military aid at a time when the expenditures for our own Military Establishment will reach astronomical figures. This amount is greater than during any peacetime in the entire history of our country. Only a few days ago the House approved a \$56,000,000,000 military appropriation bill for the present fiscal year. In addition to this, there have been many other appropriations and authorizations for military purposes that increases the amount many more billions of dollars. In addition to the military aid we extend to other nations, there is also the vast sums already given and which are now sought to be authorized for economic aid. This and other Government expenditures has resulted in proposed tax increases far beyond anything heretofore experienced in this country. Thus, while we have the desire to help, there comes a time when

we cannot do all that we might desire to do, or that might seem necessary to do.

The objectives of this bill, as I have already said, are worth while and undoubtedly have wide support, but the extent or the amount of aid to be given is one that does concern the future welfare of our country and its citizens. This feature of the bill requires the utmost consideration and thought. Failure to observe the limitations that our own necessities require could easily lead us into a weakened financial position that would prove disastrous not only to ourselves, but to the whole world.

Frequently we hear the thought expressed that Russia is seeking to bleed us white. This strategy is undoubtedly based on the theory that if the financial structure of America is broken down then we will neither be able to assist other countries or effectively defend ourselves. The Korean incident that has already cost us billions of dollars and thousands of casualties is an example of how Russian strategy works to accomplish its purpose of bleeding America white. It seems that Russia's ability to create fear and thereby increase our expenditures to meet its threats, at home and abroad, is almost boundless. The time has come, in my opinion, that our country must demand and obtain a larger degree of self-help from the other nations with whom we are allied. The economic rehabilitation that each of these nations has reached as a result of our aid, it seems to me, has been sufficient for us to expect them to do more for themselves in promoting the mutual security program, than is now being done.

I realize that the Committee on Foreign Affairs is aware of the importance of this viewpoint I have expressed, as it has decreased the amount to be authorized by several hundred thousand dollars before reporting the bill to the House.

In the opinion of many, our own national welfare demands a further reduction in the amount to be authorized. To do so is not any indication of a desire to escape our obligation for promoting or maintaining world peace, but a realization that we can best help the cause of world peace by keeping our financial structure on a sound and stable basis.

I trust that without lessening our zeal for world peace, and a cooperative effort to maintain it, that we will, nevertheless, be realistic enough to recognize the necessity of keeping this country financially strong to the end that we may do our full part.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. JAVITS].

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

Mr. JAVITS. Mr. Chairman, we have heard a lot about obligations we have undertaken to Western Europe. I think it is time we heard a little about the obligations Western Europe has undertaken to us.

Let us remember that the North Atlantic Treaty is a two-way street. Europe has said it will lay down its life in defense of the United States, equally with that the United States has said its

soldiers and its material will be put into the struggle against Communist aggression.

Let us understand, too, that Western Europeans have taken quite a beating. They know what war means at first hand. They have been fought over and occupied. So it is a much harder decision for them to make to resist than it is for us. If all Western Europeans wanted to do was to just save their own skins, they could save their bare lives, or at least most of them, except for those who went to slave labor camps, or those who were shot for being "deviationists"—they could save their bare lives by surrendering to the Russians tomorrow.

Obviously Western Europeans have no such thing in mind. The best assurance of the fact that Western Europe has the will to fight is the fact that in face of Soviet threats and fulminations about war mongers and a ring of military and air bases, Western Europe has undertaken this obligation under the North Atlantic Treaty to fight on the front line for the defense of the whole world. That was a daring thing for them to do when, in terms of military armament they had such meager defenses. We are seeing to the fact that they are not without means for defense. That is one of the essential purposes of this bill.

The other essential purpose of this bill is to show that American leadership in the free world knows where it is going.

I would like to state clearly the effect of this bill. It means that those who want to go it alone—and there are some in the United States who want to go it alone—they will vote against this bill. What is the use of spending money to help allies if you want to go it alone? But the people who want allies, the people who fundamentally take the philosophy of General Eisenhower, are going essentially to vote for this bill, though they may differ on it in details.

In my view, this is going to be the payoff vote in this Congress, as to whether Members want allies or whether they want to go it alone.

I would like to confine my own particular part of this discussion to one major phase of the bill, and that is what are we doing to look ahead to tomorrow? Where do we go from here? Is this just a matter of taking money from the revenues of the United States and turning it over for economic and military aid all over the world and does it just go on and on? Let us understand that this bill is broadening the whole program to include other areas of the world, the Far East and the Near East and Africa as well as the other American Republics.

Are we looking forward to some solution even if the Soviet bloc continues to be truculent and aggressive? Even if they refuse to agree upon armaments control and do their best to immobilize the United Nations? Even if, as many expect, tensions and localized aggressions and subversions go on for 10 or 20 years without a major war? I say we are looking forward. We are not as all-powerful, we are not as rich, we may not even be as productive, due to limitations imposed by raw materials, as we think. The real

hope for the free world is that we look forward to some solution, but in order to look forward we have to undertake this program.

A very magnificent job was done in outlining what we have to look forward to by the International Development Advisory Board, which was headed by Nelson Rockefeller. Unless our committee had rescued that report—Partners in Progress, March 1951—from the discard, it would have gone almost completely unnoticed in this whole discussion. That report brought out the ultimate truth that the United States is dependent for 73 percent in value of all of its strategic materials on underdeveloped areas around the world, which this bill is designed to aid—rubber, tin, manganese, copper, bauxite, lead, and zinc. That the only way in which we will be able to effectively defend against communism—and everybody, including General Eisenhower, has doubts about the eventuality of an all-out war—the only way we can finance this defense is if we raise the wealth production, not alone in the United States but throughout the world. The areas that have the greatest potentialities and capabilities in this respect are the underdeveloped areas. In other words, if we raise the production of food and raise the production of critical raw materials, particularly in the underdeveloped areas, then we will be able to sustain this program.

Let us understand the stakes for which we are fighting. The Soviets want to capture the undeveloped areas of the world, with the 1,075,000,000 people in them. They constitute 46 percent of the world's people in 50 percent of the world's area as against 31 percent and 24 percent for the Communist bloc. Just to get an idea of where these people stand, they have an average annual income of \$80 a year. The comparable average annual income in the United States is about \$1,400 and in Europe it is about \$470. This 1,000,000,000-plus people has an annual gross product less than one-third that of 150,000,000 Americans and 20 percent less than one-fifth as many western Europeans. So they are way down in the economic scale. They are the people for whose alliance and freedom we are fighting with the Communists.

They are the people whose wretched conditions of living offer the Communist propaganda liars their best opportunities. They are also the very people whose resources can make the free world viable and impregnable.

The Committee took full cognizance of that, and the Committee understood that in order to get the wealth base that we have to have in defending against communism we have to improve the economic condition of the underdeveloped areas and to create new means for financing such wealth creation, not just relying on the American taxpayer.

Members will notice in section 605 of the bill that the Committee is calling for action with respect to the organization of international finance agencies under the International Bank for Reconstruction and Development, which has a substantial amount of capital and

which has shown great ability in securing money through public bond issues.

The Committee has also called in its report, for consideration of the merger of the International Bank and the International Monetary Fund, which could add over \$2,000,000,000 to the resources of the International Bank in order to enable it to do international financing commensurate with the size of the job necessary to have us see some daylight.

In addition I call attention to section 605 (b) on page 31 of the bill. The Committee has required that the Administrator recommend to the Congress action to utilize these resources which we put at his command in order to obtain very materially increased participation by private enterprise in the international development program that we are authorizing. Finally, we request the proper agencies of the Government to undertake negotiations with foreign governments to remove the barriers to such participation—something which can be done through the negotiation of commercial treaties, as my colleague the gentleman from Massachusetts [Mr. HERTER] has been pointing out for a very long time, negotiating reciprocal tax arrangements and making similar approaches to the problem of getting private enterprise to use its full potential in this effort. Our Committee has gone into this program in its various angles to see that demands on the United States are cut down very materially by international financing and that it be carried on in greater part by private enterprise.

We understand that what we need to make the mutual-security program viable, what we need to make it work is increased wealth production throughout the free world. The leverage is enormous. We are proposing to expend this year \$71,000,000,000 in the United States for our national budget and something in the neighborhood of \$60,000,000,000 of that to represent arms and armament. That represents roughly 20 percent of our gross national product, which is running at the rate of \$330,000,000,000 a year. If through increased productivity and increased wealth production which can be stimulated throughout the world we can step up our national income to \$400,000,000,000—and also step up the rest of the free world's income, which is comparable in total with our own, another \$100,000,000,000—then we have got a base on which the defense budget represents but 15 or possibly 10 percent of the gross national product of the United States. That is the direction, as I see it, in which we must move, and that is the direction upon which this committee has now set itself.

This is the object in view in setting up one unified administration under one administrator. The committee wants an administration which can command the faith of the Congress and which can be depended upon to do that particular job which I have described of cutting down the demands upon us. The committee feels that it has proposed such an administration in the bill.

One final point which I think is very important. Everybody wants to know how this is going to come out: Is there going to be war or is there not going to be war? Are we going to be able to live peaceably with the Russians or are we not going to be able to live peaceably with the Russians? Nobody seems to be able to answer it. Yet one very logical answer is that as the Russians feel that the only ground in which they can cultivate communism is the ground of economic and social distress then by dedicating ourselves as world leaders—which we irrefutably are today—goes a long way to eliminate the causes of economic and social distress in the free world and we will be depriving the Russians of any opportunity or any prize to fight for either by internal subversion or external aggression.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. HERTER], and may I say that the gentleman from Massachusetts [Mr. HERTER] is the third of the Members of the minority who were recently in Europe and can tell us first-hand about this program.

Mr. HERTER. Mr. Chairman, it is obvious that in the comparatively brief time that is allotted to any individual during the course of debate of this kind, the entire scope of the bill cannot possibly be covered. I want to confine myself to that part of the bill about which I think there is considerable misunderstanding, namely, the relationship of the purely military supply function of the United States and the so-called economic help for military purposes which is contained in the bill.

When our committee went to Europe, a number of us formed a subcommittee to examine in great detail the exact way in which calculations were made which led to the figures which appear in the bill now before us. The process was roughly as follows: The military services, as represented today chiefly by General Eisenhower and his associates, began with the war plan. That war plan is, of course, a confidential document. But it included within it the furnishing by the different nations of Europe—the 12 nations that were party to the NATO agreement—of a number of divisions from each country, all of which would be subject to the command of the central commander. Once it was determined and agreed upon as to how many men could be furnished by each nation, the question arose as to the extent to which each nation could equip those men so that they could become effective soldiers.

There a study had to be made, not alone by the military but by the economic experts, the ECA and our own diplomatic leaders. That study was essentially a commercial and industrial study. It was a study as to the potentials of each country to produce war matériel with which to equip their own soldiers or which they could deliver in surplus to equip the soldiers of other forces serving in the same combined army. That was a very difficult calculation to be made, but after that calculation was roughed out, then an effort was made to estimate the gap

between what the nation could furnish itself and what represented reasonably decent equipment for reasonably effective fighting men. The table of organization used was not the American table. It was a much more liberal table in the sense it produced more fighting men with fewer in the rear than the American table of organization provides, but at the same time fewer men at the front than the Russian table provides. The gap, which only the United States can fill, is what is represented in this bill.

But that is only a part of the story. In ascertaining what the countries could do for themselves in the way of converting their industry to war purposes, some very serious calculations and serious considerations had to be met.

These countries through the Marshall plan have only just begun to get to a point where the standard of living of their people approximates that which preceded the war. Their productivity has gone beyond the prewar period, but that is because the Marshall plan concentrated largely in capital goods and the effect of the capital goods which are today increasing the productivity of Europe has not yet been reflected in the standard of living of the common worker.

If today there were no military problem in Europe, there would be only three areas in Europe that would need so-called economic aid—Greece, Trieste, and Austria. Italy would probably need some help in addition.

But what we are asking in this mutual assistance operation is that the nations of Europe turn their productive facilities from peacetime production to wartime production, and that can be done in only one of two ways: Either they must have help from the outside, or else they must reduce their standard of living. That is the simple problem that is faced by this question of economic aid. Are we going to give them help in converting their industry to a wartime basis, or are we going to ask them to do it themselves and drive down the standard of living of their own people and run the risk of losing everything we are trying to save by having their countries go Communist without having a shot of any kind fired?

Take a country like France, for instance. Today it can convert a considerable part of its automotive industry into the making of vehicles, some of them armored, some not armored, that are necessary in wartime. They can make some airplane parts. Every time they turn a factory from making civilian goods, such as ordinary automobiles which they can sell in South America and elsewhere, it means that they are impoverishing their own country from the point of view of earning foreign exchange with which to buy raw materials to keep their industry going or to purchase foodstuffs with which to feed their own people. You have that problem in every single nation in Europe, and it is for that reason that this so-called economic aid for military purposes is being asked for in this bill.

As the chairman of the committee pointed out in his opening address, it is

every bit as important in securing the objectives that we all have in mind when we bring this bill before you as are the pure military end items which come from the production lines of this country. Let us examine another country. The British have shown an extraordinary fortitude in this picture. There is no economic aid provided, however, in this bill for them. There are some military end items provided. The British are actually lowering their standard of living today over what it has been over the last 5 years in order to meet their military commitments.

They are getting 15 cents worth of meat per week to eat and the Government will not allow them to import any more. If you, as a resident of Great Britain, wanted to buy an automobile, you would have to wait between 4 and 5 years on the waiting list, since four out of every five automobiles that they produce are shipped abroad in order to earn dollars which they can turn into foodstuffs in order to feed themselves. In addition to buying an automobile, you would pay a sales tax of 66½ percent on top of the export sales price. If you go into a store in England, the wares are beautiful. Most of those wares, almost 90 percent, cannot be bought by any British citizen they are on show for export only in order that the British can earn enough foreign exchange with which to buy the food with which to live. Their standard of living is actually lower today from the point of rationed food, rationed clothing, rationed everything, than it was at the end of the war. But there is no economic aid for them.

You have a comparable picture throughout the entire European field, although, obviously, the effort each nation is making differs from that of other nations. Some are making extraordinary sacrifices; others clearly need the encouragement that the kind of help we are offering here will give.

Unhappily, many Europeans are asking whether if they have to make this tremendous military effort in order to survive it might not be better to take the risk of being overrun by the Communists. That is the thing that is running through their minds everywhere in Europe. It is something that has to be combated and can be combated and has to a large extent been combated by our forces in Europe and by the fact that they have seen tangible aid in the form of guns and tanks and planes coming to them.

I think I have very nearly completed the story. The point I have been trying to make is the one that was emphasized at the very outset by the chairman of the committee, that much of this economic aid, so-called, might, in a sense, be an economy for us in trying to achieve our objective.

That objective ought to be restated and restated often, so that there is no misunderstanding about it here on the floor of the House. That objective is to get Europe into a position where with its own men, its own replacement parts for military equipment, its own supplies

for its own troops, it can defend itself against any threat that may come from the east, certainly as far as ground power is concerned. We may have to help for a considerable period of time from the point of view of air and from the point of view of the sea, but certainly General Eisenhower has made perfectly clear that this program is a program that may take 3 or 4 years, but a program designed to make Europe strong enough on the ground so that American ground troops can be returned to this country and Europe can carry on for itself.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. Does the gentleman think the Russians will wait for 5 years for us to build up these forces?

Mr. HERTER. It is a calculated risk we are taking in any of these programs. It is a question of how fast we ought to move. If we felt an attack by Russia was imminent in the next 18 months or the next 12 months, possibly we ought not to undertake any part of it. But then we would be saying deliberately, "We are not taking any risks, we are hanging over Europe, lock, stock, and barrel, without a fight of any kind, to the Russians." It takes time to get strength.

Mr. VORYS. If the Russians attack now they are taking a little risk on account of the A-bomb.

Mr. HERTER. That is correct. There are certain very obvious deterrents.

Mr. KENNEDY. If it is advantageous to us to hold Western Europe, is it not equally advantageous to Russia to take Western Europe, to take away Western Europe? If it is going to take 3 or 4 years at the rate Western Europe is going to develop sufficient forces to defend Western Europe, does the gentleman believe they are going to wait that long? If this job is going to be done, does it not have to be done in 15 months? If it is longer than that, is there not a chance that the Russians will move into Western Europe?

Mr. HERTER. Yes; but what we are trying to do will lessen the chance. The job would be done only at a point where the strength of Europe would be so overwhelming that it would be absolutely foolhardy on the part of the Russians to attack. Until you get to that point, you are always taking a calculated risk that they would like to take the chance of coming in. Frankly, I am surprised they have not come in before this.

Mr. KENNEDY. Exactly.

Mr. HERTER. I think many people have that feeling. There must be deterrent reasons why they have not done it. Some of the reasons were given to us by military men. Very cogent reasons were given to us. Perhaps they are right in their calculations. This is all a calculated risk. If we are going to let Europe go without any effort of any kind whatsoever, we know exactly what the productivity of Europe in Russian hands means to us over a long period of time and what a real danger that is.

Mr. KENNEDY. Are not those reasons that are now deterring the Russians going to become less effective in a year? Unless we supplement the force on land in order to deter the Russians, the deterrent now in effect, the monopoly of the atomic bomb, will become less effective in a year.

Mr. HERTER. There is no question about that.

Mr. KENNEDY. The difficulty is that this is going to take 3 years. It is going to take until late in 1953 or early in 1954, until you have the 80 divisions that are going to be necessary to deter the Russians.

Mr. HERTER. We are stringing this thing out for reasons that have to do entirely with the internal economy of the United States, and nothing else. The stringing out of this problem of rearmament has nothing to do with the manpower which is being offered in Europe. Europe is offering more manpower than we can equip or Europe can equip.

Mr. JUDD. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MEADER].

(Mr. MEADER asked and was given permission to revise and extend his remarks.)

Mr. MEADER. Mr. Chairman, I wish to thank the committee for allowing me this time. I rise primarily to discuss an amendment which I propose to offer. I do not care to comment on the merits of the bill as such, except to make a few observations as background for the amendment.

I think this is one of the most important measures that the House has considered in this session of the Congress. First of all, it is important because foreign affairs are more important today, in my judgment, than any other phase of our Government affairs. Second, this bill is important because it seems to me, it is the initiation of a permanent program in economic affairs in the international field. It creates what is in effect a new department of the Government with an administrator with status equal to that of the Secretary of State in the sense that any disagreement between them can be settled only by the President. Third, it is important because this program entails huge expenditures. We are presented with a program of \$7,800,000,000 for the current fiscal year. That is not the end; that is the beginning of the program. Secretary Acheson has testified before the Committee on Foreign Relations of the other body that the program is more on the order of \$25,000,000,000 over a 3-year period. I say to you, I doubt very much that the 3-year period will end the program. This program may be with us over the next 10 years or it may never end. Therefore, this measure is of the utmost importance. It seems to me because the basic questions of policy are so fundamental and so difficult that we ought to give extremely careful consideration to it.

I want to contrast the possible total expenditures of this program, which may be on the order of \$100,000,000,000 over a period of 10 or 15 years, with existing private investments by United States

nationals in foreign areas because that is the subject with which my amendment deals. I have been trying to get some figures on private United States investments in foreign areas. You might be surprised to learn that there does not seem to be any authentic agreement on what our investments abroad are. Mr. Miller, Assistant Secretary of State, in an address of June 7, 1951, pointed out that nearly \$6,000,000,000 of United States capital was invested in Latin America with a total in the entire world of something like \$13,000,000,000. That is less than twice the annual governmental expenditure in this program which is before us today. Think of it—all of the private American money that is invested abroad does not amount to twice as much as the public funds we are passing on here today. But that figure is not agreed to by other sources. The Legislative Reference Service of the Library of Congress says that in 1949 the United States investments abroad were \$19,112,000,000. But the Coordinator of Information of the Congress says that investments abroad in 1947 were \$16,700,000,000.

Similarly, I tried to get figures on the investments of foreigners in the United States. There, the agreement seems to be closer; something over \$12,000,000,000. I have a figure of \$12,600,000,000 from the Coordinator of Information and \$12,300,000,000 from the Legislative Reference Service.

Just for purposes of comparison I wanted to find out what was the total investment of private capital in the United States. There I had greater difficulty. The Coordinator of Information gave me a figure as of 1938, total United States private investments \$309,430,000,000; but in 1949, the Legislative Reference Service says, according to figures based on Department of Commerce statistics, the total national wealth of the United States was \$600,000,000,000, which probably is a more reliable figure.

That forms the background for the amendment which I propose to offer, and in the House I will ask leave that it be printed in the Record. This amendment would deal with the general provisions of the act. It is intended to introduce it under section 605, after clause (b). In substance, it is a bill which I introduced on April 23, 1951, to create a commission on aid to underdeveloped areas. The purpose of this commission would be to find out why private capital is not being invested in those underdeveloped areas more extensively than it is, on the theory that the development of natural resources is, according to our economic philosophy, an undertaking for private citizens, rather than an undertaking for the government.

I think there should be no disagreement in this House to the proposition that we should aid and encourage the investment of private capital in foreign areas. I doubt if there is. I call the attention of the House to the fact that subsection (b) of section 605 of the committee bill has exactly that objective. It provides:

The Administrator is requested to recommend to the Congress such action as will, in his judgment, be desirable to eliminate the

barrier to, and provide incentives for, a steadily increased participation of private enterprise in developing the resources of foreign countries, consistent with the policies of this act.

The only difference between that provision and the amendment which I propose to offer is that I feel that a request of the Administrator is rather meaningless. I point out that there has been nothing to prevent the Department of State or any of the other foreign agencies of this Government from making an effective attack on the problem of reducing the barriers between countries so that natural economic forces can operate to develop natural resources according to the philosophy on which this Government is based. A request by Congress is weak.

We need to enlist the Congress and private citizens in the attack on this problem if we hope to get anything better or different than we have been getting from the executive branch of the Government in this field.

I have listened to the previous discussions with considerable interest. I wish to refer to the remarks of the gentleman from Wisconsin. I think we should give thorough consideration to his comments. I wish to refer specifically to that aspect of his remarks in which he pointed out that this combat with communism is not a combat that can be concluded with bullets and with bombs. I want to add to that observation only this: that, in my judgment, it is not a combat that can be concluded with dollars. Some of us had the opportunity to hear an interesting address by a former communist a few weeks ago. He argued that in the combat between capitalism and communism we are really dealing with religious warfare. We are dealing in the field of ideas. We are dealing in the realm of the spirit. It seems to me that unless we have faith in our system equivalent to the fanatic faith with which the Communists evangelize their system, we are not going to win in the ideological battle. It is precisely for that purpose that I will offer my amendment to this measure.

I propose that we have an opportunity to express our faith in the American system of free enterprise, which is based upon the principle of equality of opportunity. It is not enough to provide orations or exhortations to those countries that have different systems and whose peoples are enslaved by feudalism and caste systems. We must prove to them that our system works. When we do actually encourage the investment of our people in other areas and create the friendship which those investments will accomplish, I say we will demonstrate to the people of the world that the American system of free enterprise is superior to that of totalitarian state ownership and state control of the processes of production and distribution.

I say that the energy of a free people far exceeds the organization of an enslaved economy, and we ought not to be afraid to demonstrate that superiority. We ought to be proud of our system, and we ought not in our dealings with foreign governments to emphasize the activity and the expenditures of our Gov-

ernment which are similar, in my judgment, to the system of Russian communism. We ought to stand up for free enterprise if we believe in it, and this amendment will give the Members of this House a chance to do that.

The text of the amendment I propose to introduce is as follows:

Insert on page 31, after line 21:

"(c) (1) To assist in carrying out the purposes of this act, through encouraging and facilitating the development of the natural resources of foreign areas by the investment of private capital and eliminating barriers to and providing incentives for engaging in business enterprises in such areas by persons or business organizations who are nonnationals of such areas, there is hereby established a bipartisan commission to be known as the Commission on Aid to Underdeveloped Foreign Areas (hereafter referred to as the "Commission").

"(2) (A) The Commission shall be composed of 14 members as follows:

"(i) Ten appointed by the President of the United States, four from the executive branch of the Government and six from private life;

"(ii) Two Members of the Senate appointed by the Vice President; and

"(iii) Two Members of the House of Representatives appointed by the Speaker.

"(B) Of each class of members, not more than one-half shall be from each of the two major political parties.

"(C) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(3) The Commission shall elect a Chairman and a Vice Chairman from among its members.

"(4) Eight members of the Commission shall constitute a quorum.

"(5) (A) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(B) The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary \$12,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(C) The members from private life shall each receive \$50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"(6) The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended.

"(7) The service of any person as a member of the Commission, the service of any other person with the Commission, and the employment of any person by the Commission, shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim,

proceeding, or matter involving the United States.

"(8) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this act.

"(9) (A) The Commission shall study and investigate the problem of aiding underdeveloped foreign areas and shall formulate and recommend to the President and the Congress specific programs for carrying out the purposes of the Act for International Development.

"(B) The Commission shall report to the President and to the Congress from time to time the results of its study and investigation, together with such recommendations as it deems advisable. The Commission shall file its first report within 1 year after the date of enactment of this act, and annually thereafter.

"(10) (A) The Commission may create such committees of its members with such powers and duties as may be delegated thereto.

"(B) The Commission, or any committee thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such committee may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before any committee thereof.

"(C) The Commission, or any committee thereof, is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, or any committee thereof, upon request made by the Chairman or Vice Chairman of the Commission or of the committee concerned.

"(D) The Commission, or any committee thereof, shall have power to require by subpoena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpenas shall be issued under the signature of the Chairman or Vice Chairman of the Commission or committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192-194), shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section."

Mr. JUDD. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

THE FOLLY, THE FUTILITY, THE DANGER OF OUR FOREIGN POLICY

Mr. HOFFMAN of Michigan. Mr. Chairman, although this bill calls for \$7,800,000,000, there are fewer than 50 Members on the floor so it may be assumed that most of the others have made up their minds as to how they intend to vote, or it may be that they have all the information they want or that they think those who speak today cannot give any new information.

I listened to the gentleman from Minnesota [Mr. JUDD], as I always do, with a great deal of attention. I doubt—and I hope he will forgive me for this personal allusion—there is anyone who is more sincere, has greater patriotism, knows more about China, and the Far East, is more desirous of world peace or, may I add for good measure, less realistic, than is our good friend the doctor. He wants to do good to help all the world. He is not the first one who wanted to follow that course. Something like 2,000 years ago we had a situation where peace on earth, good will to men, love thy brother as thyself was preached. Christianity was the then new doctrine. That has not yet been accepted by all the world. That fact should not discourage us in our efforts. But I do not believe that the doctor's program or that of those who are associated with him—I see some of my good friends here who have been earnestly engaged in promoting this policy—I do not believe they will be able to impose their ideas or political philosophy upon the rest of the world by spending dollars or through the use of the sword.

I was greatly interested in the remarks of my friend, the gentleman from Michigan [Mr. MEADER], who comes from the Earl Michener district, when he said a moment ago that this was a contest in the field of ideas. The spirit, he said, must control. But I cannot follow that argument when I remember that so many of those who are for this program advocate the idea of knocking the tar out of these Communists by force if they do not conform to our ideas of the kind of Government we should have.

With all due respect to the views of my colleague, in my humble judgment, it is impossible for us to change the thinking of, for example, the people of India.¹

¹ Editorial from the Dowagiac Daily News of August 14, 1951:

"MISGUIDED BENEFACTIONS"

"Glen Overton, who we regard as a substantial authority on the people of India, in his recent Rotary Club talk, touched upon what we believe to be the fundamental error in our efforts to be of service to these and other races of Asia who are in the process of gaining and digesting new freedoms.

"This error develops from our insistence in changing their way of life to ours. Why should we expect them to abandon customs and habits which antedate ours by millenniums even if we know they could vastly improve themselves? Especially as we know that they are not ready to so completely revolutionize their lives.

"As he said, to do away with their hand-craft methods and introduce mechanized methods and machinery would increase their major problem, that of feeding their teeming millions. The major problem is to increase food production to keep pace with the vast growth in population brought about by the introduction of modern health programs and the reduction of disease. Their land problems are intricate because of lack of acreage. New farming ideas which will utilize more people rather than less must come along with the gradual lessening of drudgery and toil but it will take generations perhaps.

"Mr. Overton pointed out that these Asian people do not want to change their way

I have a very distinct recollection of the sound advice given us not long ago by the majority leader, the gentleman from Massachusetts [Mr. McCormack]. He briefly, though concisely and clearly pointed to the folly of dealing with the Communists on any other than at an arm's length basis. He accurately stated something which we should all know, that they cannot be trusted, that they will not keep their word, that it is a waste of time to present an argument because they recognize nothing other than force.

WHY ARE WE HERE TODAY?

We are here today because we have accepted and acted upon theories rather than facts. When we point to the fact that the program of the internationalists has cost this Nation billions upon billions of dollars and more than a million lives, we are met with the stock assertion, "Yes, we admit that, but the situation would have been far worse had we not made the effort." There is no proof of the truth of that assertion. It is nothing but an assumption.

We fought World War I to end all war. It is a fact which no one can deny that all wars did not end with World War I. True, England was not overrun by the Kaiser's armed men, but apparently the need for socialism was sown and certainly the soil was prepared for World War II.

We fought World War II to carry the "four freedoms" to the uttermost corners of the world. Do the internationalists claim that had that war not been fought, the world situation would today be worse? Do they claim that the "four freedoms" have been established throughout the world? Do they deny that today as one of the results of that war, the American people have less of freedom than they had before? Do the people who live in the colonial possessions of Great Britain, of France and the Netherlands enjoy the "four freedoms"? Where in the world live the people who

of life. Does that seem strange to us? We presume he meant that they do not want to revolutionize them faster than they can see the benefits and adjust themselves. We insist on regarding them as capable of our accomplishments and ready for them off hand. Only after years of education, trial and error, and adjustment, will these peoples find their place in the modern world.

"To expect so much of them so fast is the current error. We can present our offerings in good faith for their appraisal but to try and force them into ways of life for which they are not prepared is an error which we commit out of our enthusiasms. Perhaps we do not realize that one of the important changes will be an alteration in their religious thinking and that is even more difficult or impossible than in their economic habits.

"The point comes up as Senator FULBRIGHT criticized a proposal of the State Department to send \$4,500 harvesting combines to Iranian farmers whose agriculture is highly primitive. FULBRIGHT suggests 'beginning at the beginning and show them simple improvements instead of trying to make a grand stand show.' Perhaps such a sensible approach does not appeal to the do-gooders and makers-over who are ruining the United States while trying to give others what they do not want."

are free from want, who are from from tyranny or threatened oppression?

The advocates of this plan, of the expenditures of these billions, insist that the dollars, yes and the armed might of our country must be used to prevent a wider spread of tyranny and oppression. Their program has not brought either peace or freedom, nor has it contained communism.

World War II delivered the Chinese people and millions of others into the hands of the Communists.

It is presumptuous, it is evidence of conceit, it is proof of a refusal to recognize the facts, it is contradictory of experience to continually assert that the world, as a whole, would have been in a worse situation had we not followed the advice, the program of the internationalists.

We are here today to make another payment of billions of dollars because we failed to recognize the folly, the futility, the danger, of our present foreign policy.

Putting an army into Europe where it is not wanted will tend to continue world war III.

Some of us derisively named as isolationists who have always insisted that in foreign affairs we should adhere to the policy of avoiding entanglements in the affairs of foreign nations, as we were advised by George Washington in his farewell address, by Thomas Jefferson in his inaugural address, have frequently pointed to the folly, the futility, the danger of attempting to care for the whole world, as this and the preceding administration, the internationalists on both sides of the aisle have insisted we should do, now find that some of those who spoke most vociferously in favor of the present program, who gave it vigorous support, who charged all who opposed it with a lack of humanity and, sometimes, loyalty to our own country, learning from bitter experience, seeing the danger which confronts us, now acknowledge the soundness of our views, the threat to the security of our Republic, if we adhere to the present foreign policy.

This country of ours in its last effort to impose the ideas, the thinking of the internationalists upon the rest of the world, or if you prefer, their sincere efforts to help the rest of the world, have led us since the fighting in World War II ended to spend more than \$100,000,000,000, to sacrifice the lives of at least 30,000 Americans, to impose casualties upon more than 150,000 Americans, to send an armed force of more than 250,000 Americans to the Korean battle front. It is fair to assume that if their plans are followed soon they will have more than one-half million Americans in Western Europe and that ultimately they will have in Europe an American army under the command of an internationalist leader, fighting under an international flag, of no one knows how many million men, for the interest and advancement of a foreign—not our own—people or Nation.

Their proposal, which is before us today, is that we make another payment of \$7,800,000,000 in support of a

program which one of the chief advocates of that program, because of our bitter experience, has now repudiated.

Permit me to quote some of the questions to, some of the answers given by, Mr. Foster, the Administrator of the ECA—Marshall plan—when he testified on Monday, July 13, 1951, when S. 1762, the Mutual Security Act of 1951, was being considered by the Senate Foreign Relations Committee.

The subheads are mine.

COVERING THE EARTH

The CHAIRMAN. Mr. Foster, you seem to have somewhat covered the earth instead of sticking to what you are supposed to do under this appropriation.

How much money are you going to get for your organization out of this appropriation?

Mr. FOSTER. Two and two-tenths billion dollars, Mr. Chairman, and that covers the earth, I might say.

Mr. CHAIRMAN. It ought not. We cannot cover the whole earth and get anywhere, as I see it.

What do you mean when you say it covers the earth?

Mr. FOSTER. I mean by that, sir, that this is an economic assistance program not only to Western Europe, but an assistance program which also helps countries in the free world in South Asia, Southeast Asia, the Far East, Latin America, the Near East and Middle East.

THE PURPOSE OF THE BILL

The CHAIRMAN. The primary purpose of this bill is to aid in arming Western Europe because that, we figure, is a defensive area to the safety of the United States.

I noticed that you spent considerable time in your statement dealing with Southeast Asia. Do you think the Russians are going to come over through Southeast Asia and then attack us over here?

Mr. FOSTER. I have no opinion of the military problem, sir.

Mr. CHAIRMAN. I am talking about the military problem.

Mr. FOSTER. I know there is a great deal of pressure, economic and otherwise, to take over those countries in South and Southeast Asia by either the Communist or the Communist allied satellites and I feel it is definitely to our security advantage that we give aid in order to attempt to offset that.

I think it is in that area that we have numerically the greatest number of peoples who are still in the free world and, as I indicated in this statement, out of that area come to us things that in our own security interest we must have in the shape of raw materials in order to carry on this arming of Western Europe to which, of course out of this bill, is devoted the greatest proportion of the economic assistance.

WHERE WE HAVE OPERATED

The CHAIRMAN. You have operated chiefly in Europe so far under the ECA, have you not?

Mr. FOSTER. You will recall in China, starting in 1948, before the Nationalist Government was forced off the mainland, we had a mission there. We also had a mission in Korea until the beginning of this present calendar year, at which time most of our activities were turned over to the Army.

We have since last summer had in Indochina, in Indonesia, in Burma and Thailand, programs of special technical and economic assistance and as of the sixth of April we have had a mission in the Philippines. We have given some aid to India in the form of wheat under a loan agreement, with which you are familiar. We have, for more than a year, been active in several missions there and for more than 2 years in two missions.

WHERE OUR MONEY WILL BE SPENT

The CHAIRMAN. In this appropriation you will get something over two billion dollars. Of that, how much will you spend in Europe and how much in Asia and all over the world?

Mr. FOSTER. Out of the \$2,200,000,000, \$1,650,000,000 is for European purposes. The other areas are the South Asian and Southeast Asian, which are \$375,000,000; the Near East which is \$125,000,000, and Latin America which is not under our supervision, is \$22,000,000 for economic and \$40,000,000 for military aid.

BY WHOM

The CHAIRMAN. Under whose supervision is it?

Mr. FOSTER. That is now under the Technical Cooperation Administration in the State Department, Mr. Chairman.

HOW IT IS PROPOSED TO HELP

The CHAIRMAN. You say in your statement on page 4, "in carrying out their task, the countries of Asia need our help. By furnishing military assistance, we can assist them to keep internal order and discourage attack. By providing technical and administrative skills and equipment, we can help them develop those services. We can provide technical aid and some of the pump-priming capital and commodities needed."

Have these countries not needed our aid always? This is not a new situation. Have they not been in need of these things in all the years gone by?

Mr. FOSTER. Many of these countries, Mr. Chairman, are newly independent and they are attempting to meet the problems of their peoples today with new governments and new methods. Most of them are inexperienced. Most of them lack of the type of administrative skills which our colonial empires provided them with in the past.

They have great resources in a material sense in many of these countries. They have great raw-material availabilities. If they are properly helped to make the best use of those resources, it is our belief they will be able to stand on their own feet and we think it is in our interest to help them do that.

The CHAIRMAN. It is in our interest to spend billions of dollars building up these countries. That is your position?

Mr. FOSTER. I think it is in our interest to provide the sums which we have asked for them, Mr. Chairman.

In terms of the amounts which they require, they can do a great deal more with very much less money than has been necessary to provide in Western Europe. That is primarily because much of what they need is technical advice and counsel in terms of people rather than in terms of commodities.

In Western Europe the vast amounts we have required in the past have been largely needed to rebuild the industrial machines to provide food, fuel, commodities and raw materials, so that the amounts called for might over the course of years run into a billion dollars in terms of the programs we are thing about now.

Our availabilities last year, for instance, were \$164,000,000 in that area of southeast Asia and the Far East.

THE RESULTS

The CHAIRMAN. Did you see any results from it?

Mr. FOSTER. Yes, sir. We have obtained very excellent results.

The CHAIRMAN. What are they?

Mr. FOSTER. In terms of their ability to provide more for their people in terms of greater stability in some of those governments; in terms of their ability to resist internal subversion to at least some extent. We do not claim this comparatively small program of economic aid solves their problems, but it has made progress and has made a contribution.

MONEY TO REARM WESTERN EUROPE TO BE USED IN SOUTHEAST ASIA

The CHAIRMAN. Now, we have been told that this bill and this plan was to cut ECA off in Europe largely, and to divert the funds that have heretofore been allotted to ECA to the military and the arming of Western Europe. That is what we have been told.

You come up here for hundreds of millions for Southeast Asia. What does that have to do with work in Europe of an economic nature, or rearming Western Europe?

WHO ARE THE FREE PEOPLE?

Mr. FOSTER. It has this to do with it, Mr. Chairman. We have out in that area, as I said earlier, numerically the greatest number of free peoples yet—

The CHAIRMAN. They are not free if they are in the shape you are talking about. We have to go out there and furnish them the money to do all these things for them. How are they free?

Mr. FOSTER. They are free in terms of having their own governments; they are free in terms of having the ability to make their own decisions; they are free in terms of the possibility of hope for the future and they are free in terms of being able to enter into international trade and to provide us with a great many of the things which we need to do this job in Europe to which you refer.

FORMER ADVOCATE OF ECA ADVISES GETTING OUT OF ECA IN EUROPE

The CHAIRMAN. I think the shoemaker should stick to his last. You were appointed to take care of ECA over in Europe, get out of the business over in Europe and to divert the funds you have been receiving for ECA to the military rearming of Western Europe and here you are putting the main emphasis on going out to Southeast Asia and chasing a problem out there instead of sticking to Western Europe. Western Europe is our danger if we are going to be invaded or are going to be attacked. It will be through Western Europe if we are attacked. I do not agree with your philosophy at all.

Mr. FOSTER. Mr. Chairman, if I may, I would like to make one correction. I do not think we are putting the main emphasis on South and Southeast Asia. I think it is an important point.

The CHAIRMAN. You have in your testimony here made more noise about that than anything else you have said.

Mr. FOSTER. Perhaps more noise, sir, but I doubt if there was more emphasis. I felt it was important for this committee to understand that there is a substantial interest for the security of the United States in helping South and Southeast Asia and the Middle East and the Near East.

THE UNITED STATES CANNOT PRESERVE ITS OWN FREEDOM, PRODUCTIVITY, WHILE OPERATING A WORLDWIDE ECA

The CHAIRMAN. Helping everybody. You say it is worldwide. You have to help everybody. The United States cannot preserve its own freedom; it cannot preserve its own productivity if, according to you, we have to take care of the whole world. That is what you said earlier.

INTERNATIONALISTS STILL INSIST WE SUPPORT "THE WHOLE FREE WORLD"

Mr. FOSTER. I say, sir, that the free world is important to our own security and I think, therefore, it is in our interest to contribute to maintaining the whole free world.

The CHAIRMAN. You think that is our business, to maintain the whole free world?

Mr. FOSTER. I believe so.

WHERE OBTAIN THE FUNDS

The CHAIRMAN. Where are you going to get the revenue and the money and the taxes to do that? The fellows who spend all your time spending money for the Government do not even think about how we have to struggle here in Congress to get the money.

Right down the hall now the Finance Committee is in session struggling with a tremendous tax bill. You want to take that money that is squeezed out of our people and take it over across on the other side of the world to build up and take care of those little wobbling countries. Is that your philosophy?

INTERNATIONALISTS SHIRK RESPONSIBILITY FOR POLICY

Mr. FOSTER. It is not anything I want to do. These things are forced on the United States by a situation created by others.

INTERNATIONALISTS ASSUME TO SPEAK FOR ALL IN THE UNITED STATES

The CHAIRMAN. You are not the whole United States.

Mr. FOSTER. That is perfectly correct, sir. The CHAIRMAN. You act like it. You talk like you are the whole United States.

Mr. FOSTER. I have no illusions. I have a job which I am attempting to do to contribute, as I see it, to improving the security of the United States.

THE CHAIRMAN. YOU ARE GOING TO DO IT AS YOU SEE IT. HOW ABOUT AS CONGRESS SEES IT? INTERNATIONALISTS INSIST CONGRESS CREATED POLICY

Mr. FOSTER. I am following out, sir, the instructions of Congress which I think in its wisdom in setting up this bill it did a very good job.

The CHAIRMAN. Where are the instructions from Congress that you have to take care of the whole free world? That is what you said. Where is it? Where is the law?

Mr. FOSTER. Congress has passed the Foreign Assistance Act; it has passed an act in the general area of China. The Congress has passed the Technical Cooperation Act. All of those cover the items which we are requesting from you, sir, in this bill.

The CHAIRMAN. Senator Green, you may take the witness.

Common sense and good judgment should convince us, as should the foregoing questions and answers, that the foreign policy of this country, as exemplified in this program, is not only futile, will not only destroy the freedom and the liberty of our people but threatens the very existence of the Republic.

I, for one, can accept your ridicule; your criticism that my views are narrow; that I am a reactionary and an isolationist; because I believe in the soundness of the principles laid down in the Constitution, in the worth of the advice given us by George Washington and Thomas Jefferson, have faith in the ability, the courage, and the endurance of our people to maintain this—a free Nation. But I beg of you to pause and give heed to the statements of one of the most vigorous and outstanding advocates of the policy to which you still cling.

Do not insist upon continuing down the road which has brought us, our people, so much of suffering and sacrifice—to the world so much ruin and unrest, turned much of the world into an armed camp.

Mr. RICHARDS. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. HELLER].

(Mr. HELLER asked and was given permission to revise and extend his remarks.)

Mr. HELLER. Mr. Chairman, at the outset I want to associate myself with the remarks of the gentleman from Arkansas [Mr. HAYS], a truly great Rep-

representative from a great State. I join with him in congratulating the distinguished gentleman from Minnesota [Mr. Judd] on the excellent speech he delivered about half an hour ago. He always inspires me. He is a great American. He has certainly pinpointed the problem with his usual great skill and courage. The gentleman from Massachusetts [Mr. Herter], also deserves the deep and abiding gratitude of the Members of the House and the American people for his contribution toward a better understanding of the many phases and problems raised by the bill under discussion.

I would like to compliment the distinguished chairman of the Committee on Foreign Affairs [Mr. Richards] and the members thereof who worked so tirelessly and arduously to bring this bill to the floor and for doing such an outstanding and magnificent job.

Mr. Chairman, I wish to go on record in support of the proposed program for military and economic aid to our Allies which is aimed to strengthen the resistance of the free world to Communist aggression. The freedom-loving people of the entire world are watching and waiting for our prompt and decisive action in extending this aid to our Allies, and thereby serving the most effective notice to Soviet Russia that the free world is determined to remain free at all costs. The freedom of the world for many decades to come may very well depend upon our action here and upon our determination now to make sacrifices, if necessary, so that human dignity and the rights of the individual are recognized and protected.

Mr. Chairman, it has become customary to refer to this assistance to our Allies as "foreign aid." I consider that designation as a misnomer. The description "mutual security" which appears in the bill, is a more correct one because, as was explained by our distinguished chairman, three-fourths of the proposed program is intended for supplies, equipment, and other assistance of a military nature, while the remainder of the program is aimed to bolster the economy and defense efforts of the free nations allied with us for military production.

That has been stated on more than one occasion today. I submit that military and economic aid are supplementary to each other.

While our attention is concentrated on the present and potential dangers, we must bear in mind what has been accomplished in the past few years. The free world has come a considerable distance in overcoming some of the dangers that have plagued us during these postwar years. Yes, we have had our share of failures and heartaches, and we are still having them, but we have also had successes and encouraging developments, which should give no respite to our enemies.

What are some of these encouraging developments? We should appraise them once in a while. We should take inventory.

At the risk of being repetitious, since reference is frequently made to them, here is but a partial list:

Communist imperialism was dealt a strong and firm blow by the Soviet-Yugoslav split and Tito's defection to the west.

The Marshall plan certainly helped Western Europe attain economic recovery during the past 3 years, and that has meant increased productivity for our allies.

Communism has been checked in many countries, notably in Western Europe, where the Communists have lost important elections. You have heard that discussed today. In France, Italy, and other countries the local Communist Parties, which are subservient to the whims of Moscow, have not been able to tie up the ports and prevent the landing of American military supplies, as many of us feared might happen, nor have they been able to carry out political strikes in an effective manner.

Communism has been successfully checked in Korea where the United States and the United Nations have collectively unmasked Soviet aggression and have vividly brought it to the attention of freedom-loving peoples all over the world.

Considerable progress has been recorded in cementing the unity and collective efforts of the North Atlantic countries in building up their military power under the leadership of General Eisenhower. The most dire threats from Russia did not succeed in keeping Norway from joining the North Atlantic Pact. Not only was the unity of the west able to withstand all Communist efforts to disrupt it, but it has grown tremendously in the past year.

These are some of the major achievements, though not all, which we must remember when we consider our future steps. What stands out primarily, in my opinion, is the fact that peace-loving nations have voluntarily entered into an alliance with us and are arming themselves to resist aggression and to avert another world war. I believe this is the first time in the history of mankind in the past few centuries this has been attained on such a large scale in a peaceful and voluntary manner, rather than by force and imposition.

Much still remains to be done before we and our allies will have achieved sufficient strength to feel reassured in having attained the necessary security. We have built up a reservoir of good will throughout the world that will redound to our credit for generations to come. Let us not fritter it away at this time by some rash action or shortsightedness, for which our children and our children's children may never forgive us.

If civilization is faced with a myriad of problems today, it is due primarily to one underlying cause: namely, the specter of communism which is haunting the entire world. The international tensions, the inertia on the part of the people of many countries, run-away inflation, or the threat of it which is hovering over many nations, the appalling shortages of raw materials—these and many other problems are a direct result of this Communist specter, which breeds violence, preaches world revolu-

tions, and aims to dominate over all the nations and peoples of the world.

In the President's midyear Economic Report to Congress, we have an excellent analysis of the economic problems created in the United States by the Communist threat to the free world. Let me cite only a few brief sentences from that report:

We must be ever-mindful that the Soviet Imperialists are relentlessly pursuing a long-range plan. * * * That the strategy is to probe for weak spots in the strength or morale of the free people, and, if a weak spot can be found, to strike another blow.

The value of our aid programs, however, is far broader and more significant than simply a good investment in security. These programs will mean that free men, in many countries, will be able to stand up against the threats, the lies, the subversion of Communist aggression. They will be able to defend themselves against bullets—and they will be able to combat communism's allies of poverty and hunger and sickness.

Mr. Chairman, Communist imperialism has now engulfed an area extending from Central Europe eastward clear across the vast land area that is Asia to the shores of the Pacific Ocean. It is now threatening to spread into the neighboring countries along its huge circumference. Where possible this is done through bloodless subversion and treachery as in the case of Czechoslovakia and other Eastern European countries, or else through open bloodshed and conflict as in Korea. The latter is not always successful. After having initiated the act of aggression in Korea, Communist imperialism realized that it committed one of its most grievous errors because it resulted in the awakening of America and of the whole world to the true aims and aspirations of the Kremlin. We are now witnessing the well-known zigzag policy of advance and then retreat when it gets too hot for comfort, which has characterized Soviet communism over these last three decades.

Discussing the strategy and tactics of communism, Stalin has the following to say in his book on Leninism—page 148:

Tactic is the determination of the line to be taken by the proletariat during a comparatively short period of the ebb or flow of the movement, of advance or retreat of the revolution: the maintenance of this line by the substitution of new forms of struggle and organization for those that have become out of date, or by the discovery of new watchwords, or by the combination of new methods with old—

And so forth. In his work, Stalin seeks to stress the importance of understanding when and how to advance and under what circumstances to retreat. To make his point emphatic, he quotes Lenin as follows—page 153:

Revolutionary parties must go on learning. They have learned how to attack. Now it is time for them to realize that this knowledge must be supplemented by acquiring a knowledge of how best to retreat. We have got to understand that victory can only be won by those who have learned the proper method both of advance and of retreat.

Mr. Chairman, the world has long ago awakened to the fact that communism does not believe in genuine understanding and collaboration with non-Com-

munist countries, except during brief periods or under special circumstances whereby the end justifies the means. World War II was such an exception, but no sooner was the war over when communism showed its true colors. If this proved surprising to some among us, let me cite this brief passage from Lenin's works—volume 8, page 33—where he established the Communist policy on co-operation with other countries:

We are living not merely in a state but in a system of states, and the existence of the Soviet Republic side by side with imperialist states for a long time is unthinkable. One or the other must triumph in the end. And before this end supervenes, a series of frightful collisions between the Soviet Republic and the bourgeois states will be inevitable.

Will that sinister prophecy of Lenin's come true? I hope not. But we cannot depend on hopes alone. We must take all necessary precautions within our power to make certain it does not materialize, and at the same time we must utilize all precautions to be prepared for any eventuality. I am convinced that preparedness on our part will prove to be one of the greatest deterrents to the realization of Lenin's prophecy.

The question of preparedness is now uppermost in our minds; it is one of great importance, and of utmost urgency. General Eisenhower, in an address several months ago, summed it up in a few words when he said we must build a secure wall for peace. This is very true. This is exactly what we will help to construct if the bill before the House is passed.

I recently had occasion to reread Patrick Henry's most famous and eloquent speech before the convention of delegates in Richmond, Va., which he delivered on March 28, 1775. It is remarkable how in his impassioned address, born of fearless patriotism, this great American statesman of the eighteenth century expressed profound thoughts and views which are so applicable to our situation today. He was talking about oppression, and the urge for freedom; he urged his countrymen to be prepared for armed resistance, and appealed to them not to listen to the song of the siren and the false cries for peace amidst the clash of resounding arms. Let me read to you a few excerpts from this historic address:

It is natural to man to indulge in the illusions of hope. We are apt to shut our eyes against a painful truth and listen to the song of that siren, till she transforms us into beasts. Is this the part of wise men, engaged in a great and arduous struggle for liberty? For my part, whatever anguish of spirit it may cost, I am willing to know the whole truth—to know the worst and provide for it.

Mr. Chairman, the Russian lullaby has now turned into a song of the siren, which is trying to lull us to sleep at Kaesong with its false pretenses of a cease-fire in Korea. We should know the truth, we should not fear the worst, and we should provide to meet it. Experience is our best teacher and guide. If we substitute the word "Soviet" for "British," and perhaps make one or two other minor changes in the following quotation from Patrick Henry, we can almost pic-

ture him right here in our midst arguing our present-day problems. He said:

I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way of judging the future but by the past. And, judging by the past, I wish to know what there has been in the conduct of the British ministry for the last 10 years to justify those hopes with which gentlemen have been pleased to solace themselves and the House? Is it that insidious smile with which our petition has been lately received? Trust it not, sir; it will prove a snare to your feet. Suffer not yourselves to be betrayed with a kiss. Ask yourselves how this gracious reception of our petition comports with those war-like preparations which cover our waters and darken our land. Are fleets and armies necessary to a work of love and reconciliation? Have we shown ourselves so unwilling to be reconciled that force must be called in to win back our love? Let us not deceive ourselves, sir. These are the implements of war and subjugation—the last arguments to which kings resort. I ask, gentlemen, sir, what means this martial array, if its purpose be not to force us to submission? Can gentlemen assign any other possible motives for it?

Mr. Chairman, does not this make you think of the false peace petitions circulated by the Communists in the past few years, while at the same time Russia maintains the largest army in the world? Against whom is this army being prepared if not to establish domination of the world by force? If Russia was really earnest in her efforts for world peace, could not her leaders think of a better way to attain international amity than by invasion of Korea and by threatening other areas of the world?

We have done, and are still doing, everything in our power to avert a new world conflagration, but our efforts for cooperation and understanding have thus far been in vain. Instead of a friendly, outstretched hand of human brotherhood, we have always come up against the clenched fist of communism. Under such circumstances, how can we even entertain any hopes for peace or reconciliation? It takes two to make a bargain, but thus far all our calls and pleas for genuine peace have fallen on deaf ears.

At this point, Mr. Chairman, let me quote another few lines from Patrick Henry which are so applicable to our own day and some of the arguments we often hear from the defeatists and the weak of heart. This great early American patriot told the Delegates at that famous Richmond convention in 1775:

They tell us, sir, that we are weak; unable to cope with so formidable an adversary. But when shall we be stronger? Will it be the next week, or the next year? * * * Shall we gather strength by irresolution and inaction? Shall we acquire the means of effectual resistance by lying supinely on our backs and hugging the delusive phantom of hope, until our enemies shall have bound us hand and foot? Sir, we are not weak, if we make a proper use of the means which the God of nature hath placed in our power. Three millions of people—

Today Patrick Henry would proudly say 153 millions of people—

armed in the holy cause of liberty and in such a country as that which we possess are invincible by any force which our enemy can send against us. Besides, sir, we shall not

fight our battles alone. There is a just God who presides over the destinies of nations, and who will raise up friends to fight our battles for us.

Mr. Chairman, thank God we can fight our own battles today, if necessary. God, however, has been good to us, and has helped raise friends who are now our allies. But we still need more friends to fight alongside of us, because today we are engaged in a world conflict.

The concluding lines of Patrick Henry's speech are relevant today. With pride I quote this most famous patriotic passage:

Gentlemen may cry "Peace!" "Peace!" But there is no peace. The war is actually begun. The next gale that sweeps from the north will bring to our ears the clash of resounding arms. Our brethren are already in the field. Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God! I know not what course others may take; but as for me, give me liberty, or give me death.

Yes, Mr. Chairman, our brethren are already in the field. The crash of arms and the sound of ominous thunder form the background to Russia's false peace offensive. Our best and only reply should be to strengthen our own defenses and those of our allies, for only in this way can we hope to achieve peace, only in this way can we hope to eradicate all signs of defeatism and despair among the peoples of the free world and bring to them leadership, confidence and resoluteness of action.

Under the circumstances, the bill we are now considering assumes even greater importance at this time. It is our way of saying to the free nations of the world: "come, let us together build up our common strength, let us together use our material resources, our technical knowledge, and our great resources of manpower to show the aggressor that we are ready to defend our lands, our homes, and our way of life."

Our allies are expecting sound guidance and decisive action from us, not mere words, however well-meaning. The success or failure of our action will determine the degree of reaction among our friends throughout the world. If we should drastically cut the extent of our military and economic aid proposed in the President's mutual security program, it will be taken as an indication that we are not serious in our defense efforts. This will definitely result in a relaxation of the defense effort of our allies, and a consuming feeling of apathy and defeatism will engulf the whole world.

Mr. Chairman, this is undoubtedly what the leaders in the Kremlin are hoping for. When the slackening of our efforts sets in and the feeling of futility begins to prevail throughout the free world, it will be the long-awaited sign for Stalin to undertake the realization of Lenin's sinister prophecy of the inevitable collision between communism and the democracies and the subjugation of the whole free world.

These are the reasons that compel me to give my unqualified support to the President's mutual security program as

a military and economic necessity for us and for the nations allied with us. As between the course of action prescribed by Patrick Henry and that advocated by Lenin and Stalin, I prefer to choose the wisdom of those ringing words of the American prophet of liberty rather than the foreboding words of the modern prophets of doom.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

(Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend her remarks.)

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have long been an advocate of having the military and diplomatic heads come before the entire Congress and describe to the entire Congress the need for the appropriations both in this country and the countries of the world we are helping under this bill. I shall vote for this bill. I do not know just how I shall vote on the amendments, but I certainly believe in giving some aid to the countries loyal to us—and who will cooperate with us.

One provision in which I am interested because I introduced a bill, H. R. 3492, which would provide a grant of \$150,000,000 to Israel, and the recommendation of the House Foreign Affairs Committee allocating \$50,000,000 for the relief and resettlement of refugees in Israel goes part of the way to satisfy the provisions of H. R. 3492 which proposed a grant of \$150,000,000. As the author of that bill, I had hoped that we could do more to assist Israel in its struggle to absorb hundreds of thousands of immigrants and to achieve economic independence. Yet I believe that the House committee action will make a substantial contribution to the solution of this problem, while at the same time dealing fairly with both the Israelis and the Arabs. I trust that the House will accept it.

During my service in the House I have watched with deep sympathy and admiration the struggle of the Jewish people to overcome persecution, to achieve independence and to provide a refuge for hundreds of thousands who have escaped to Israel from the DP camps, from Communist expropriation behind the iron curtain and from the ghettos of North Africa. I am convinced that history, looking backward, will single out this great achievement as one of the very few constructive episodes of our generation.

Our generation has witnessed two terrible wars, depressions, revolutions, conquests and twice the terrible menace of world dictatorship, first by nazism and now by communism. It is against this background that we should assess the significance of Israel, its regeneration of a dispersed people, its mass resettlement of refugees, its successful struggle for independence and its resistance to invasion and finally, and above all, its advocacy of freedom in a feudal part of the world.

It may be asked by some, why we, concerned with defense and armament, should make provision in a mutual secur-

ity program for the resettlement of refugees.

Mr. Chairman, defense begins with people. You can defend no area with machines alone. You must have people ready and willing to fight. And they must have something to fight for. We, who fought and won our own independence by the courage and tenacity of men and women who had the will to struggle against great odds, are too prone to forget this basic fact. Freedom can be secured only by those who understand and cherish it.

The Near East cannot be defended if its peoples are insecure and unsettled. It is crucial to our defense that we strengthen the Near East. The first step must be the resettlement and reintegration of both the Jewish and Arab refugees who are still homeless, destitute and without means of self-support.

Let us speed this great refugee resettlement program of the Jews and Arabs. The more quickly it is done, the more stoutly we shall build our defenses against Communist aggression in the Near East.

I believe that it is fair to them. I believe it is fair to both the Jews and the Arabs. I hope the House will accept that provision.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. RICHARDS. I yield 5 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I think there are several obvious assumptions that we can make about the rearmament of Europe.

First, I think it is obvious that Russia will believe herself endangered by our building air bases so close to Russia, and by the rearmament of Europe.

Second, Russia desires to stop this rearmament and to deter us from using these air bases.

Third, the reason Russia has not marched to war in Western Europe already is first, she is not ready and second, our strength in Western Europe is not sufficient to cause her any real danger.

Fourth, Russia is making progress in cutting down our atomic superiority.

Fifth, unless Western Europe is strengthened quickly enough to deter the Russians on the land, once they overcome our overwhelming atomic monopoly, then there will be heavy pressure in Russia for her to move in on Western Europe before we are ready.

Therefore, I believe that the present slow rate of rearmament in Western Europe is an encouragement to war and not a deterrent. If Russia sees the Western Europe rearmament program spread out until 1953 or until 1954, and if she sees us building air bases so close to her vital sources of supply, then obviously there will be great danger that she will move into Western Europe to deny us these air bases and deter us from building up sufficient ground strength to prevent her armies from moving into Western Europe. I think the whole trouble lies in the fact that the rearmament program for Europe is being spread out much too far. The job is not being

done quickly enough. Not one of these countries, with the exception of Great Britain, is devoting the percentage of her income anywhere near equal to that of our country for rearmament. In not one of those countries, with the exception possibly of Great Britain, are they taking men in for so long a period as our draftees, nor have they enforced economic controls equal to ours. I believe you are not going to get the 50 or 70 or 80 divisions, which General Eisenhower called for and which he feels is the minimum which can deter the Russians from moving on land, until the end of 1953 at the present rate. I think there is grave doubt that the Russians will wait until 1953 for us to build these forces. Do you think they are going to give us until 1953 or 1954 to develop this ground strength so that we can defend our air bases abroad. There is danger that they will move, and unless we do this job quickly, and unless Europe is rearmed by the middle of 1952, I think the chances of a war are tremendously increased.

Mrs. BOLTON. I am wondering if the gentleman took up the question of the air bases when the appropriation was under consideration on the floor.

Mr. KENNEDY. I am not disagreeing with the establishment of those air bases. What I am disagreeing with is the rate of the rearmament program in Western Europe. I think it can be done much quicker. I do not think it is being done as fast as it should be done. I do not think they are devoting the percentage of their income to defense that they should be.

Mrs. BOLTON. Have you taken it up with the Department of Defense?

Mr. KENNEDY. I am merely saying that I think it is obvious you are going to tremendously increase the chances of war if you let 1952 go by without having sufficient strength on the ground to deter the Russians from attack. I think all you are doing at the present rate of rearmament is stimulating a Russian attack.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from New York.

Mr. JAVITS. Does not the gentleman agree that if we could just follow that course—and, incidentally, I am in sympathy with your point of view—that we will have to put up a great deal more than we put up in this bill, and we are running into a lot of trouble to get support for this bill. They do not have the plants to put out the end items, and if we want to do what you suggest, we would have to go a lot further than we go in this bill.

Mr. KENNEDY. The gentleman must know, for example, that the production of military equipment in those countries could be doubled or trebled.

Mr. JAVITS. But it takes time to key up to that, even if we gave them the money. I am with the gentleman.

Mr. KENNEDY. They do not have effective controls on their strategic materials. Does any country have the controls that we have, with the possible exception of Great Britain?

Mr. JAVITS. I would agree with my colleague that Great Britain is the only country that is really pushing at the top of its capabilities. I point out that if they all pushed at the top of their capabilities we would have to probably double or more than double what we are willing to do now in end investments, and take it away from our own forces.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. RICHARDS. Mr. Chairman, I yield the gentleman one additional minute.

Mr. KENNEDY. I will say to the gentleman that I would be willing to do a lot more than we are now doing, if I thought it would result in the 50 or 70 divisions by 1952 that are essential if they are going to deter the Russians from moving. I do not object to sending American troops or American money there if I thought that the Europeans were doing their part. All I object to is half doing the job and stretching it out over the months. I think this program of rearmament of Western Europe as we are now doing it is the best way to bring on a world war with Russia.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. VORYS. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois [Mr. McVEY].

(Mr. McVEY asked and was given permission to revise and extend his remarks.)

Mr. McVEY. Mr. Chairman, I am arising in opposition to this bill, and I want to say I believe there is no one who is more interested in the welfare of other nations than I. For many years, I have been contributing to world-service movements of various kinds—through my church, through the YMCA, which has an extensive world-service program, and in other ways. But that was my own money I was spending. I have no quarrel with anyone who wants to give his last dollar to save the rest of the world, but there is one country I love more than any other, and that is land of my birth, the United States of America.

And I think we need to take heed lest we spend that country into bankruptcy. We need to take heed lest in our attempt to save others we lose our own souls. Let us take a little look at our financial situation. In the statistics given out by the Department of Commerce, we find that our dollar is now worth 44 cents, in terms of prewar purchasing power, using the years 1935-39 as a base—not 1932 but 1935 to 1939. A little further study reveals that a year ago the purchasing power of the dollar in terms of the same base was 57.7, a decline of 13.7 cents in a single year, a pretty rapid descent, but that is what happens to the purchasing power of a currency when a nation pursues the monetary policies we have been following in recent years. The decline is gradual at first, and then becomes more rapid as the accumulated effect of such policies continues. That has been the pattern followed by every country that

has resorted to such practices. We are headed for a 25-cent or a 10-cent or a 5-cent dollar, if we continue our deficit-spending program. There is no way to control inflation with the purchasing power of the dollar declining. It is nonsense to think otherwise—prices will continue to rise just as long as our currency becomes cheaper and cheaper. That is one of the most elementary principles in economics.

Now why does the purchasing power of the dollar continue to decline? It is the accumulated effect of deficit financing. Not just what has happened in the last 5 years, but what has happened in the last 18 years. If we go back to the Republican Congress and include the years 1946 to 1948, we do show a surplus, but if we consider the last 18 years, we find a deficit of \$222,000,000, and that amount of money cannot be injected into the economy of any country without creating serious inflationary problems. In fact deficit spending provides the fertile soil from which inflationary spirals spring. The administration in power has balanced the budget but 1 fiscal year in the last 18, and that year was the one just ended—June 30, 1951. The reason in that case was due to the fact that the defense spending could not get under way as rapidly as the money came in. The commitments far exceeded the income of the Treasury.

Here is the record of deficit spending for the last 19 years:

Fiscal year	Total Federal expenditures	Federal deficit or surplus (—)
	Millions	Millions
1952, to July 3, 1951.....	\$518	—\$170
1951.....	48,143	3,510
1950.....	40,167	—3,122
1949.....	40,057	—1,811
1948.....	33,791	8,419
1947.....	39,289	753
1946.....	60,703	—20,676
1945.....	98,703	—53,941
1944.....	95,315	—51,420
1943.....	79,622	—57,420
1942.....	34,187	—21,490
1941.....	13,387	—6,159
1940.....	9,183	—3,918
1939.....	8,966	—3,862
1938.....	6,938	—1,177
1937.....	7,756	—2,777
1936.....	8,493	—4,425
1935.....	6,521	—2,791
1934.....	6,694	—427
1933, Mar. 4 to June 30.....	1,164	
Total.....	639,607	222,904

Source: U. S. Treasury Department, annual report, and daily statements.

Now why is the subject of deficit spending of importance in the debate on this measure before us today. It is important because much of that deficit has been created through our efforts to help the rest of the world. We have appropriated for foreign aid since we began our lend-lease program prior to World War II approximately \$90,000,000,000. Certain credits must be deducted from that amount, but the books show that during the period beginning in 1938 and ending March 31, 1951, the net foreign aid provided was \$69,899,000,000.

This is a sizable sum and while there is no gainsaying that the aid extended

has been very helpful to other countries, the time has come, in my opinion, when we must call a halt if we wish to save our own country from disaster. One purpose of foreign aid was to help the countries of Europe recover from the serious effects of World War II—a very worthy motive—much of their industrial potential was greatly damaged by the ravages of war, but the index of production in those countries is now far ahead of prewar. In proof, I present the following figures taken from the tenth report to the Congress of the ECA page 7:

Production in Atlantic Pact nations (using 1937 production levels as 100 percent)

Belgium.....	115
Denmark.....	145
France.....	113
Greece.....	120
Italy.....	115
Netherlands.....	142
Norway.....	123
United Kingdom.....	142

Another factor which we should take into consideration is our heavy per capita debt load. Our per capita debt load—the responsibility of every man, woman, and child in this country for our Federal debt—is higher than that in any one of the Atlantic Pact nations. Then, too, we should consider our vast appropriations for defense. Within the last 10 days these appropriations have reached the staggering sum of \$56,000,000,000. We are told repeatedly these appropriations are necessary to protect not only our own country but the countries of Europe as well. Why should this not be considered a sufficient expenditure for foreign aid without increasing that amount by the billions provided in this bill.

In the 1951 budgets, the United States put up \$4 for every dollar spent on military expenditures by Europeans. In the 1952 budgets, the proportion is five American dollars for every dollar allocated to defense by all Atlantic Pact nations. In the name of reason how far must our generosity extend itself?

We have outstanding \$57,572,012,637 of E. F. & G. savings bonds which will have to be retired over the next 10 years. During the next 5 years \$34,088,362,845 of these bonds will fall due. Has any provision been made for the redemption of these bonds? I have heard of none. Will they be redeemed with printing-press money? Would it not be wiser to use the money we propose to appropriate for foreign aid for the redemption of these bonds and help preserve the integrity of our currency?

We can hardly expect the original purchasers of these bonds to continue to hold them. They paid \$75 for a hundred-dollar bond 10 years ago expecting to get \$100 worth of purchasing power today, and what are they getting? Forty-four dollars worth of purchasing power, instead of the one hundred they had expected. They have lost not only the interest; they have lost \$31 of the principal invested. That is how we have let down the workmen and women of this country who through patriotic motives invested their hard-earned money in our Government securities.

The end is not in sight if we continue our insane spending program. We can ill afford the expenditures for foreign aid proposed in this legislation which amount to \$7,848,750,000. We must begin to think of saving our own country before it is too late. A vote against this bill is a vote for the preservation of America—our liberties, our freedoms, our way of life—yes, it is a vote to safeguard the whole world because if America goes down the world is lost with us.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. McVEY. I yield.

Mr. DONDERO. Apparently the gentleman thinks that the leadership of this Government and this Nation is more used to the free world as a solvent nation than as a bankrupt nation.

Mr. McVEY. That is exactly true, and I thank the gentleman for his contribution.

Mr. VORYS. Mr. Chairman, I yield 4 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, the gentleman from Massachusetts has brought up a phase of argument that I am very glad he presented to us. A little earlier in the debate someone stated—I think it was the gentleman from Massachusetts [Mr. HERTER]—that the reason for the slowness of the military production program was an economic decision made here in America. The Defense Department no doubt has agreed to what might seem to you and me an unnecessarily prolonged supply program but it is apparent that our economic structure has been taken into account in the making of these decisions. I am very glad that the gentleman voiced the sentiment he has because he has been over there, and speaks with a background of first-hand information. I happen to know from some of the people who represent us in a number of the countries he visited that he did a very fine job in examining into the situations that presented themselves to him. I am very happy to say how much I personally appreciate the fact that this particular point of view has been brought out in today's debate.

My own feeling of the situation is that I believe General Eisenhower means what he says when he tells us that our troops are there only as long as the other troops are not equipped and ready to do the whole job.

Mr. RICHARDS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I should like to ask the chairman of the Committee on Foreign Affairs how much the committee went into the question of these countries that are to be helped giving us what we need for our national defense? I do not want to go into detail on the floor at this time, but I have had quite a discussion recently with certain of our manufacturers. I do not want to go into the rate of speed at which they are manufacturing, but there is some holdup in the manufacture of goods in this country for various reasons. I would like to ask the gentleman how deeply his committee went into this matter with other

countries as to what they could give us in return for what we are doing for them, which is tremendous.

Mr. RICHARDS. May I say in answer to the gentlewoman's question that the committee was very much concerned with getting strategic materials from these participating countries. A section was inserted in this bill setting aside some \$65,000,000, to be exact \$55,000,000 of the total over-all authorization for the development of strategic materials that were in short supply in this country. With reference to the general supply, we have other agencies that deal with the participating countries in regard to tariffs, trade and all that sort of thing. Outside of strategic materials I do not think the bill provides anything of the nature the gentlewoman mentions.

Mrs. ROGERS of Massachusetts. The committee did not go very deeply into that?

Mr. RICHARDS. Yes, we went deeply into production conditions in every country and what they could do in the matter of furnishing themselves with the materials that are needed in a program of this kind.

Mrs. ROGERS of Massachusetts. How about furnishing us material?

Mr. RICHARDS. In furnishing us with ordinary trade items, about the only thing we have along that line is section 603 in which it is stated:

In order to promote the increased production, in areas covered by this act, of materials in which the United States is deficient, there are hereby authorized to be appropriated to the President for the fiscal year 1952 not to exceed \$55,000,000 to be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

Mrs. ROGERS of Massachusetts. The gentleman knows when I was a member of the Committee on Foreign Affairs I was a great believer in reciprocity, and I felt when we passed Lend-Lease that we should have secured more for America at that time.

Mr. RICHARDS. I remember very distinctly when the gentlewoman was one of the ablest members of our committee, and we hated to see her leave. I remember distinctly the fight that she made along this line and how she tried in every way she could to protect the manufacturers of this country.

Mrs. ROGERS of Massachusetts. I thank the gentleman. It was hard for me to leave the committee and I am sure I would like to have served under the fine and courteous gentleman as chairman.

Mr. RICHARDS. Mr. Chairman, I yield myself 2 minutes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Michigan.

Mr. DONDERO. Included in the statement made by the gentlewoman from Massachusetts might be included this question: What is our present policy toward Spain, believing that Spain could be of some help to us in Europe?

Mr. RICHARDS. I do not know whether it has been raised here today, but it was raised in our committee on

a great many occasions. All the military testimony we had was to the effect that Spain, in connection with our national defense program and with this mutual security program, was needed in the picture. I want to say this, that while this bill does not specify certain countries that are to receive such-and-such amounts either for economic assistance or military assistance, there are funds provided in this bill that can be used for Spain.

Mr. DONDERO. I believe that Spain wants to be friendly to the United States.

Mr. RICHARDS. I agree, and I think we should meet Spain more than half way.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Ohio.

Mr. VORYS. I do not think it is any revelation of any executive session, we inquired whether the work of Admiral Sherman was lost when he died, and we were told that the work he had been engaged in would continue; is that not correct?

Mr. RICHARDS. I understand that that work will be continued. It should continue. We need Spain and Spain needs us.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

All time has expired.

Mr. DONDERO. Mr. Chairman, I move that the Committee do now rise.

Mr. RICHARDS. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RICHARDS and Mr. DONDERO.

The Committee divided; and the tellers reported that there were—ayes 13, noes 73.

So the motion was rejected.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Mutual Security Act of 1951."

Sec. 2. The Congress declares it to be the purpose of this act to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and the Act for International Development (22 U. S. C. 1557) shall hereafter be deemed to include this purpose.

TITLE I—EUROPE

Sec. 101. (a) In order to support the freedom of Europe through assistance which will further the carrying out of the plans for defense of the North Atlantic area, while at the same time maintaining the economic stability of the countries of the area so that they may meet their responsibilities for defense, and to further encourage the economic unification and the political federation of Europe, there are hereby authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and

accomplishing the policies and purpose of this act—

(1) not to exceed \$5,028,000,000 for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph.

(2) not to exceed \$1,335,000,000 for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522) (including assistance to further European military production), for any country of Europe covered by paragraph (1) of this subsection and for any other country covered by section 103 (a) of the said Economic Cooperation Act of 1948, as amended. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this subsection: *Provided*, That not to exceed \$30,000,000 of the funds made available pursuant to this subsection may be utilized to effectuate the purposes of section 115 (e) of the Economic Cooperation Act of 1948, as amended.

(b) Not to exceed 5 percent of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purposes of this act, between appropriations granted pursuant to either paragraph of subsection (a): *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 2, line 22, section 101 (a), subsection (1), strike out "\$5,028,000,000" and insert "\$4,828,000,000"; and in subsection (2) on page 3, line 16, strike out "\$1,335,000,000" and insert "\$1,035,000,000."

Mr. FULTON. Mr. Chairman, I would like to explain this amendment shortly to the House so that you will get the impact of the cuts of each of subsections (1) and (2).

Subsection (1) on page 2 of title I is the military assistance for Europe. In the bill at present the figure is \$5,028,000,000, as you will note in line 22. The figure in my amendment will reduce the \$5,028,000,000 by \$200,000,000, to \$4,828,000,000.

Then, if you turn to page 3 on line 16, you will see subsection 2, which refers

to economic assistance under title I, which item now provides for \$1,335,000,000. The figure of my amendment would be \$1,035,000,000, thereby reducing it \$300,000,000.

The total effect of my amendment upon title I is a \$500,000,000 reduction. The question then comes up, where can that amount come out? My amendment leaves it pretty much up to the President to determine where the cut can best come, because if you will take subsection B on page 4, you will find that not to exceed 5 percent of the total appropriations granted in subsections (1) and (2) can be switched back and forth between the two subsections. If we take 5 percent of about \$5,000,000,000 in title I, for example, we arrive at a figure of \$250,000,000. So that right in out figure of the \$5,028,000,000 in the act as it now stands for military assistance for Europe, there is a possible transfer of a possible \$250,000,000 for economic assistance, moving that amount over to subsection 2 on page 3. Likewise in the \$1,335,000,000 item for economic assistance for Europe on page 3, the President, according to the terms of the bill, can take 5 percent out of that which would be about \$66,750,000, which he can transfer from economic assistance to military assistance in title I.

That provision gives a freedom of action and takes away the rigidity so that there is not the excuse that this is simply cutting the military aid by express legislative direction. The President can then look at the program and see where it is best to take the \$500,000,000 off, and do his cutting there. Because of this very good provision under section B on page 4, the 5-percent provision, we have a flexibility of handling which permits a good program to be worked out between military assistance and economic assistance under title 1.

It also should be remembered that the economic assistance includes assistance to further military production. So that when we come to a definition, we find that there is a very fine dividing line between what is actually military assistance, and what becomes economic assistance under this legislation. For example, if we are giving the recipient countries machinery for fabricating the future plants for arms production, the query is: Is that military assistance or is that economic assistance? If the United States give these countries a machine which is a die, or a tool, grinder, or shaping machine, the question is: If it is used now to produce arms under this program, might this same item not likewise be general economic assistance to such country if it can be used later, after this program is completed in the contemplated 36 months?

In addition to that matter of flexibility and difficulty of definition, you will find there is an item under military assistance that is on page 65 of the report of the committee, table 12, illustrative breakdown of 1952 mutual security program, military assistance subsection (b), which shows \$53,000,000 in the present bill for administrative expenses for the \$5,000,000,000 military-assistance item under title 1.

Under the same table 12, economic assistance under ECA act section (2), subsection (f), you will find there is an item of \$19,000,000 for administrative expenses also. So that if you go through the bill, you will find that there are many places whereby good business methods there can be a further cutting down on overload and a cutting to the minimum of further indirect expenses.

By good purchasing and good planning and programing, our United States agencies can certainly come up with a program, which if it is called an austerity program, nevertheless, is a program which is calculated to do the job required if economy and business methods are employed. I believe \$200,000,000 reduction on \$5,000,000,000 military assistance, is a very slight reduction on the military assistance program. On the \$1,335,000,000 economic assistance, a \$300,000,000 reduction just means they will have to take a little bit more of this austerity program that our taxpayers in this country are having to take today. There is no doubt these countries have now completed their postwar recovery and have exceeded our hopes of success under the Marshall plan proposal. Many of them are spending much less in proportion of their total annual productions for defense than we are, and in some of the recipient countries, the tax and debt burden is now less proportionately than ours.

Mr. RICHARDS. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes to answer the gentleman's inquiry.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from South Carolina.

Mr. RICHARDS. As I understand the gentleman's amendment, it cuts \$200,000,000 from the military aid in title I, and also \$300,000,000 from the economic aid in title I.

Mr. FULTON. That is correct. \$500,000,000 is the total proposed cut in title I, of the amendment which I have introduced.

Mr. RICHARDS. This committee was in session about 6 weeks. We sat about 31 days and had 60 or 70 hearings. Did the gentleman at any time while this committee was meeting propose any such cut as this?

Mr. FULTON. The gentleman is right, I did not suggest this amendment during the hearings, but I was working on a cut just as the gentleman and others. I did not come up with this final figure until this afternoon, because I was spending 3 hours more this afternoon working on it. But I have had these figures previously as to places where the cuts should be made and where they should not be made. For instance, on the \$2,658,000 for ocean freight, I do not

think the House should make any cut there at all. But I might say this to the chairman, that I have heard, outside the committee walls, items of figures discussed. One thing that struck me very forcibly was a figure that one of the members came up with, and when asked where he got it he said, "I took that one right off the top of my head." If there is that much flexibility of figures in this program the question is one of policy rather than the particular percentage or exact rate of cut. I believe, as a matter of policy, that we could go a little further than the chairman of the committee has gone in making his own cuts on the military assistance in title I, and quite a bit further on the economic assistance in title I. I agree, in part, with the gentleman from Ohio [Mr. Brown] who spoke of our building plants beyond a certain necessary norm of recovery, because we are then building plants for our competition. There are complaints, for example from Pennsylvania, of foreign companies, of recipient countries, laying down fabricated steel items in Central and South America cheaper than we can—not once, but consistently—when our own plants are completely tied up for the defense of Europe and when those countries have an excess capacity to export, even to the Soviet, perhaps we had better cut some of the money for assistance.

My proposed cut will not hurt the aim of the program, but it will certainly make it more economical and efficient.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. MANSFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am opposed to the cut of \$200,000,000 in the military aid program under the Mutual Defense Assistance Act, and \$300,000,000 cut in the economic assistance for Europe as proposed by the gentleman from Pennsylvania [Mr. Fulton]. I think it is a little ironical that the gentleman from Pennsylvania [Mr. Fulton] did not see fit to bring up in the committee the proposal which he is now making to the membership of this body. Other members of the committee did bring up proposals to cut this amount, and those proposals were fully considered and the result is that we have before us a bill which the chairman of the committee, primarily, though the committee generally, is responsible for. I think that the distinguished and able chairman of our committee the gentleman from South Carolina [Mr. Richards] has done an outstanding job. I think he has presented a bill to this House which is a committee bill and not a State Department bill or a bill from any other part of the executive branch of the Government. I think also, in considering this bill and this amendment, that we have to keep in mind the fact that Europe is in many respects the key point in the defense system of the world, because there you have, especially in the Ruhr, the coal, the steel, the iron, and the industrial know-how which the USSR so greatly covets.

I would like to call to the attention of the committee a statement made by

General Eisenhower. He stated to the group visiting Europe 2 months ago that in his opinion the atom bomb was not the greatest deterrent in holding back the Russians, but that the industrial capacity of the United States was. We have clear superiority, as far as our industrial output is concerned at the present time, especially so because of the fact that we are in mutuality, so to speak, with the industrial output of Western Europe. If we were to lose that output, it would mean in effect that the USSR would be on a practically equal footing with us. It would mean then that we would be in real danger. If we cut down this assistance which will help the industrial development of Western Europe, we are only weakening ourselves.

We must remember that the United States and Western Europe now have an annual production of steel and pig iron more than four times that of the Soviet world; together we produce three times as much coal and ten times as much petroleum. Move the resources of Western Europe to the Soviet side and the comparisons change drastically. I feel also that if we cut down the military aid, as proposed, that we will be doing the very thing we should not be doing and that is to bring into being a force not well enough equipped and not as able as it must be to defend itself in any struggle which might occur. We would also be diluting their potential strength and smashing their hopes for a more secure and peaceful future.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to my distinguished colleague.

Mr. HAYS of Arkansas. The gentleman recalls the emphasis which has been given to this problem by the gentleman from Massachusetts [Mr. Herter], in which he has continually pleaded with us not to think in terms of money primarily but in terms of tanks, planes, bazookas, and specific items of war. That is correct, is it not?

Mr. MANSFIELD. That is correct.

Mr. HAYS of Arkansas. It is not the gentleman's opinion based upon the testimony before our committee that if the amendment prevails you are not reducing for you are forced to think in terms of the planes, tanks, and equipment that will move into the stepped up armaments need of Europe.

Mr. MANSFIELD. That is right.

Mr. HAYS of Arkansas. And that the figure here represents the very minimum in the calculations of General Eisenhower and others who have laid the plans for this program. Is that a fair statement?

Mr. MANSFIELD. That is a very fair and a very accurate statement. I may say also, and this is repetition—it is not a question of a limit of manpower in western European nations; they are willing to furnish the men; but what is the use of furnishing the men if you do not give them something to fight with, if you do not give them something to train with? This money is necessary therefore because many of these items such as planes and tanks take a long time to manufacture and most of this

hardware must, for the time being at least, be manufactured in this country for the military program in Western Europe. Arrangements are being made that certain items such as small arms and the like, and certain spare parts will be manufactured in Europe and will take their part in the program of preparedness now being undertaken under the North Atlantic Treaty and the Mutual Defense Assistance Program.

Mr. Chairman, I think it would be against the interest of the United States and our own security if we were to vote for this amendment.

Mr. HERTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HERTER. In view of the fact that this amendment affects two different subsections, one dealing with military aid and the other with economic aid, can it not be separated and a separate vote be had on each part?

The CHAIRMAN. Yes, it can be separated.

Mr. HERTER. It can be divided. I thank the Chairman.

Mr. RICHARDS. Mr. Chairman, it is now 5 minutes after 5. I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, had come to no resolution thereon.

DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 349) to assist the provision of housing and community facilities and services required in connection with the national defense, insist on the House amendments thereto, agree to the conference asked by the Senate, and that conferees be appointed.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, RAINS, WOLCOTT, GAMBLE, and COLE of Kansas.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1952

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Kirwan] may have until midnight tonight to file a conference report on the bill (H. R. 3790) making appropriations for the Department of the Interior for the fiscal year 1952, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Until further notice:

Mr. Abbott with Mr. Martin of Massachusetts.
 Mr. Irving with Mr. Taber.
 Mr. Sabath with Mr. Towe.
 Mr. Bohling with Mr. Werdel.
 Mr. Thomas with Mr. Hinshaw.
 Mr. Stephens with Mr. Buffett.
 Mr. Vinson with Mr. McDonough.
 Mr. Lucas with Mr. McGregor.
 Mr. deGraffenried with Mr. Mason.
 Mr. McCarthy with Mr. Morton.
 Mr. Engle with Mr. O'Konski.
 Mr. Machrowicz with Mr. Reed of Illinois.
 Mr. Davis of Tennessee with Mr. Sadlak.
 Mr. Albert with Mr. Saylor.
 Mr. Allen of Louisiana with Mr. Stockman.
 Mr. Fisher with Mr. Smith of Kansas.
 Mr. Gordon with Mr. Hess.
 Mr. Gore with Mr. Cole of New York.
 Mr. Granahan with Mr. Elston.
 Mr. Breen with Mr. Ellsworth.

Messrs. MURPHY, BYRNE of New York, JAVITS, PATTERSON, and WOLVERTON changed their vote from "nay" to "yea." The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 30: Page 26, line 12, insert:

"COOPERATIVE RANGE IMPROVEMENTS"

"For artificial revegetation, construction, and maintenance of range improvements, control of rodents, and eradication of poisonous and noxious plants on national forests, as authorized by section 12 of the Act of April 24, 1950 (Public Law 478), \$700,000, to remain available until expended."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 30, and concur therein with an amendment, as follows: After the matter inserted by the said amendment and before the period, insert: "Provided, That no part of this appropriation shall be available in any national forest in excess of three times the amount available for such forest from sources (including claims recognized by the act of December 29, 1950, and receipts under 16 U. S. C. 500) other than Federal sources."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42: Page 38, line 6, strike out "That hereafter appropriations available for classing or grading any agricultural commodity without charge to the producers thereof may be reimbursed from non-administrative funds of the Commodity Credit Corporation for the cost of classing or grading any such commodity for producers who are eligible to obtain Commodity Credit Corporation price support" and insert "That hereafter there may be transferred to appropriations available for classing or grading any agricultural commodity without charge to the producers thereof such sums from non-administrative funds of the Commodity Credit Corporation as may be necessary in addition to other funds available for these purposes, such transfers to be reimbursed from subsequent appropriations therefor."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 60: Page 51, line 25, strike out "\$15,000,000" and insert "\$16,500,000."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 60, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert "\$16,500,000 (and the amount in the last proviso in this paragraph is increased to \$2,500,000)."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 67: Page 64, line 13, insert:

"Sec. 410. No part of any appropriation or authorization contained in this act shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to 115, or a part thereof, full time, part time, and intermittent employees of the Department and its instrumentalities, cooperators, and collaborators receiving personnel services from the Department: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; committees of expert examiners and boards of civil-service examiners; wage administration; and processing, recording, and reporting: *Provided further*, That nothing contained in this section shall be construed as permitting any increase whatever in personnel officers over and above the number otherwise provided for in this act."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

LABOR-FEDERAL SECURITY APPROPRIATION BILL, 1952

Mr. FOGARTY. Mr. Speaker, I call up the conference report on the bill (H. R. 3709) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1952, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 16, 1951.)

Mr. FOGARTY. Mr. Speaker, as the House knows, this is the same report that was brought back about 6 weeks ago.

We have followed the instructions of the House by returning to conference and, in conference yesterday, agreeing on the same formula for the Jensen amendment that was adopted in the Interior and Agricultural appropriation bills today.

I yield now to my distinguished friend, the ranking minority member, the gentleman from Oklahoma [Mr. SCHWABE].

Mr. SCHWABE. Mr. Speaker, my chairman has correctly stated the situation. The report is unanimous. As far as I know there is no disagreement, and there is no request for time on this side.

Mr. FOGARTY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 32: Page 13, line 16, after "title", insert a colon and the following: *Provided further*, That the District of Columbia shall pay by check to Freedmen's Hospital, upon the Surgeon General's request, in advance at the beginning of each quarter, such amount as the Surgeon General calculates will be earned on the basis of rates approved by the Bureau of the Budget for the care of patients certified by the District of Columbia. Bills rendered by the Surgeon General on the basis of such calculations shall not be subject to audit or certification in advance of payment; but proper adjustment of amounts which have been paid in advance on the basis of such calculations shall be made at the end of each quarter: *Provided further*, That the Surgeon General may delegate the responsibilities imposed upon him by the foregoing proviso."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 131: Page 45, line 19, insert the following:

"Sec. 705. Where the number of passenger cars for replacement only is reduced by the provisions in this act the total number of passenger cars in the division or department concerned will be reduced by a like number."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 131, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Sec. 705. Where the number of passenger cars for replacement only is reduced by the provisions in this act the total number of passenger cars in the division or department concerned will be reduced by a like number: *Provided*, That in no event shall the number of passenger-carrying vehicles which may be operated during the current fiscal year at the seat of Government under any appropriation or authorization in this act exceed 50 percent of the number in use as of June 30, 1951."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 132: Page 46, line 1, insert the following:

"Sec. 706. No part of any appropriation contained in this act shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to one hundred and and fifteen, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; committees of expert examiners and boards of civil-service examiners; wage administration; and processing, recording, and reporting."

Mr. FOGARTY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 132, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Sec. 706. No part of any appropriation contained in this act, except appropriations for the Public Health Service, shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of 1 such employee to 105, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; committees of expert examiners and boards of civil-service examiners; wage administration; and processing, recording, and reporting."

Mr. FOGARTY. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Speaker, I want to extend my congratulations to the Committee on Expenditures in the Executive Departments and its chairman upon the appointment of a subcommittee to look into the proposed consolidation of the insurance and death-claim activities of the Veterans' Administration. These activities were at one time centralized in the New York office. In 1946, under the direction of Gen. Omar Bradley, one of the ablest Administrators the Veterans' Administration has had, the activities were decentralized and dispersed among several offices for the more efficient service of the veterans. It is now proposed to again centralize the activities, this time in Philadelphia. The space, which

is to be used for this recentralization, had been assigned to the Frankford Arsenal, which is a vital agency of the Army Ordnance Bureau. That agency was preparing to occupy the space last week with an essential defense activity, when it was told that the space was not available because it would be used by the Veterans' Administration for the proposed consolidation.

It is claimed there will be some economy in this change. Last week the Veterans' Administration advertised for 1,000 additional employees in Philadelphia—"experience unnecessary." We feel that this change will not be economical, and it will certainly impair the service which is now being rendered. The gentleman from Massachusetts [Mr. McCORMACK], our distinguished floor leader, requested me to express his interest in this inquiry to be made by the Expenditures Committee. He is opposed to the proposed consolidation and believes the committee investigation will show conclusively that it is an improper move.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Virginia.

Mr. HARDY. I commend the gentleman for calling the attention of the House to this matter. I am not chairman of the subcommittee, but I am a member of the committee. I want to assure the gentleman that it is going to be the purpose of that subcommittee to go slowly into this matter and find out first of all, if it is in the interest of efficiency and economy to have any consolidation at all; and secondly, if it infringes upon the defense effort.

Mr. GARY. I thank the gentleman.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. ROOSEVELT. I would like to join in the sentiments expressed by the gentleman from Virginia and commend him for the interest and activity he has shown in this matter.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. CELLER. The removal of all these veteran administration offices to Philadelphia will not only discommode and inconvenience veterans who have claims, but it will make it utterly impossible, particularly in death cases, for the dear ones of deceased veterans to get justice because the records will be unavailable and they will not be able to travel great distances to Philadelphia to validate their claims.

Mr. GARY. I thank the gentleman.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from North Carolina.

Mr. BONNER. I commend the gentleman on calling the attention of the House to this very important matter. I will serve on this subcommittee, and I assure him I will give it my most careful attention for I recall the last time this change took place, it was months

before any service could be had on questions asked about insurance.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

MUTUAL SECURITY ACT OF 1951

Mr. RICHARDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5113), with Mr. WALTER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

Without objection, the Clerk will again report the amendment.

There being no objection, the Clerk read as follows:

Amendment offered by Mr. FULTON: On page 2, line 22, section 101 (a) subsection (1): Strike out "\$5,028,000,000" and insert "\$4,828,000,000."

On page 3, line 16, strike out "\$1,335,000,000" and insert "\$1,035,000,000."

Mr. FULTON. Mr. Chairman, I ask that my amendment be divided, in order that there may be a separate vote on each of the two subsections. That is, a separate vote on the military cut and a separate vote on the economic cut.

The CHAIRMAN. The question is on the first portion of the amendment.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a cut of \$500,000,000; \$200,000,000 on the military end and \$300,000,000 on the economic end in the authorization for Europe.

Now, let us look first at the military side of this. Let me say that in considering any cuts to the bill which this committee has brought to the House, those of us who oppose any further cuts are at a serious disadvantage. The gentleman from Ohio [Mr. BROWN] yesterday said he was tired of voting for large amounts of authorizations without having every penny justified. Let me say we cannot justify, penny for penny and dollar for dollar, this appropriation because this information is a military secret. We cannot even tell you what amount of money in this military authorization will go to each of the countries involved. For this reason we are at a disadvantage when some Member says, "Let us knock \$200,000,000 off of this." That appeals to the instincts of all of us to try to save money. We are in a difficult position to justify why we oppose such a cut.

First, let me tell you that throughout the entire hearings the gentleman from Pennsylvania [Mr. FULTON], the

author of this amendment, at least to my knowledge, never asked a single question which would tend to bring out evidence in support of the cut he is now recommending. In his statement yesterday he said he went to his office and spent 3 hours and came up with this suggestion. In his statement on the floor he offered no evidence in support of this cut.

Let me call the attention of the House to the fact that we on the committee have already cut the military appropriation for Western Europe by an amount of \$265,000,000. This would increase the cut to \$465,000,000, almost a 10 percent cut over what the military branch of our Government, the Department of Defense, felt was needed.

This problem of mutual security is a relatively simple one. Our problem is to get military equipment into the hands of the soldiers of the free countries of Western Europe as quickly as we can. They have the manpower, we have the military equipment. Our purpose is to get the two together to increase our mutual security. If we delay, if we dilly-dally, if we do not show our wholehearted effort to join with our allies and our friends of Western Europe, the time may be too late when we decide that it is to our advantage to put arms into the hands of our friends.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. Yes; I yield to the gentleman from Pennsylvania.

Mr. FULTON. The gentleman has commented on my method of bringing up this cut. May I point out that when the present Richards bill was offered, I am the one in the committee, 18 minutes before the present bill was put in, who asked the gentleman from South Carolina [Mr. RICHARDS] what the figures were, and I was denied any figure. I had to wait until the present bill was put in before I could find what any position of the committee was as to what the cuts might be that were different from the State Department.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to my distinguished chairman.

Mr. RICHARDS. Let me take exception of the gentleman's statement.

Mr. ROOSEVELT. The gentleman from South Carolina means the gentleman from Pennsylvania.

Mr. RICHARDS. Yes. The gentleman from Pennsylvania. He has raised the question. So far as the chairman of the committee knows, and I think I would know if it had happened, at no time during the whole hearing did the gentleman from Pennsylvania ask the gentleman from South Carolina for any figures; nor did he at any time during the entire hearings of the committee question the figures that were presented in my bill. The action that he took, so far as I know in regard to the figures were only that he proposed to increase the over-all figures in the bill by \$150,000,000. He did not propose one single cut.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FULTON. Mr. Chairman, I ask that the gentleman from New York may have three additional minutes in order to pursue this further.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Chairman, will the gentleman yield further?

Mr. ROOSEVELT. I yield.

Mr. FULTON. Has not the chairman of the Foreign Affairs Committee, who is a good friend of mine, forgotten that on the day he brought his bill in I was the one who asked directly of the chairman what the amount of the cut was and whether that amount would change in the 18 minutes between that time, which was 18 minutes of 12, the time we were then sitting, and the time the bill would be reported to the House at 12 o'clock? And that was directed expressly to the total of this bill.

My point is simply that I have worked on these figures and gone over them in great detail and have come up with what in my best judgment was the proper amount. I saw no reason to disclose them other than to the people I had been working with.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I should just like to make this statement here: The question was asked about the details of military aid to Western Europe. As I said, we cannot divulge the secret testimony that was given to us; but it was the wholehearted and overwhelming opinion of the members of this committee when we reported this bill that this was a fair and absolutely rock-bottom figure if we were going to help the people of Western Europe before it was too late.

Mr. MANSFIELD. I would like to confirm what the chairman of the committee has said. The gentleman from Pennsylvania who now wishes to reduce the bill by another \$500,000,000, in the committee tried to increase the bill by \$150,000,000. I should like to say also that as far as the actual figure was concerned we all knew it at the same time; at least we did if we were in the committee.

Mr. ROOSEVELT. That is correct; and the gentleman will recall that we agreed with the chairman of the committee to a cut of \$265,000,000 in military aid in this title I and the reason was because we felt that that extra amount had not been justified before the committee and that the extra amount the administration had asked for could not be delivered.

One other last point, if we are going to do this job we must make the people of Western Europe realize that we are behind them, and behind them now, so that they can get to the business of getting armed as quickly as possible. Remember, these people are living under the constant threat of attack over there.

In my considered judgment this bill for \$7,800,000,000 and this particular re-

quest for \$5,028,000,000 for Western Europe military aid is important, if not more important to the safety and security of the people of the United States as was the \$56,000,000,000 bill we passed in this House earlier this week for the military defense department.

Mr. CELLER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, on yesterday there were statements made to the effect that the people of India and Asia do not hold us in high regard. To dispel those notions that were spread on the RECORD at that time I should like to read from some of the speeches that have recently been made in and out of the Parliament of India. I do want to say at the outset that the people of India have expressed time out of mind the uttermost feelings of friendliness and kindness to the people of this country. They covet our good will as we do theirs. But we must not be supersensitive. We must show tolerance. We must not give undue weight to a few irresponsible criticisms of us that may have been expressed by some irresponsible persons in India. Likewise people in India must view with tolerance some of the demagogic statements concerning India uttered in the United States. I now give you some splendid statements by Indians concerning us.

I read an extract from an address by Dr. Rajendra Prasad delivered on July 4, in which he said:

On the one hundred and seventy-fifth anniversary of American independence I have great pleasure in offering heartiest felicitations to Your Excellency and to the Government and people of America. We look forward to the closest cooperation and friendship between India and your great country in the cause of world peace.

Here is a statement from Prime Minister Nehru as of July 4, 1951, to Secretary of State Acheson:

On the anniversary of the Independence of your country, I send to you and to the Government and to the people of the United States of America my sincere greetings and best wishes from myself and from the Government and the people of India. I should like to take this opportunity of conveying through you to the American Government and the people our grateful appreciation of the aid being given to us to meet the very serious food situation that prevails in certain parts of India.

I quote a statement of Prime Minister Nehru in a message sent to the President of the United States expressing sympathy with the Kansas flood victims, dated July 19, 1951:

I have heard with deep regret the very serious damage and loss of life and property caused by the Kansas flood. Please accept, Mr. President, my Government's and my people's deep sympathy at this calamity which has overtaken so many people. We in India have had the misfortune to suffer from serious floods in the past and so we can appreciate the suffering caused by such natural calamities and we extend our sympathy.

In a speech made in Parliament Nehru said on August 4 last:

I was talking about America. Look at their tremendous achievements. Their achieve-

ment is amazing. It is a great country. It is very easy for you to find constructive peace forces at play in that country.

On December 6, 1950, Nehru said in a speech in Parliament:

But there is something more which is the bitter truth that we have to understand and realize today. In this fighting that has taken place in Korea the main burden on the part of the United Nations has fallen on the forces of the United States. They have suffered greatly and at the present moment they are suffering greatly and our sympathy should go out to them in this present predicament.

I should also like to quote the following from an address delivered to the Parliament of India by the President of India on August 6, 1951:

The food situation in the country has been a matter of the gravest concern to my Government and, for many months, the threat of famine hovered over large areas of the country, more especially over Bihar. I am glad to say that there has been appreciable improvement and that threat has receded into the background. But dangers remain and constant and cooperative effort is needed to overcome them. I should like to express my gratitude to the friendly nations who came forward with help in ships and food grains. In particular, I should like to express my gratitude to the United States of America for the loan of 2,000,000 tons of food grains.

Mr. Chairman, I could go on and on and read to you fulsome statements made by the leaders of India indicating their uttermost sympathy for what we stand for and which are indicative of the friendship they bear to us. It is true that some Indian may voice dissension from our aims and views or criticism of us, but it is unfair to take stray bits of criticism and balloon them out of all proportion, and, as is often the case, to lift from context. I think we must look at the picture as a whole, and I think then, the conclusion may reasonably and easily be drawn that India has the kindest of feelings toward us.

We must be fair, we must be just in this regard, and I hope, therefore, there will not be a recurrence of these very bitter statements about India that we heard yesterday from Members who addressed the House.

Judging from some of the sharp and barbed statements of some Members, one would gather the impression that these Members would want India to grovel in the dust at our feet in expressing gratitude for our recent loan for food grains. Such attitude is ridiculous.

Let us rather try to understand each other with fairness and some degree of humility. Both nations have perplexing problems of an international character crying for solution. Developing frictions between our two countries makes solutions more difficult.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this amendment to title I close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. SMITH of Wisconsin. I object, Mr. Chairman.

Mr. Chairman, I offer an amendment.

The CHAIRMAN. Is it a substitute for the first portion of the Fulton amendment?

Mr. SMITH of Wisconsin. My amendment applies to both parts, Mr. Chairman, but I can ask unanimous consent to offer the first part to the Fulton amendment.

The CHAIRMAN. The gentleman offers an amendment to the first section?

Mr. SMITH of Wisconsin. Yes. That was my thought.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. SMITH of Wisconsin to the first portion of the amendment of Mr. FULTON: Page 2, line 22, section 101 (a), subsection (1) strike out "\$5,028,000,000" and insert "\$4,700,000,000."

Mr. JUDD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JUDD. Is it possible to divide an amendment and offer an amendment to a portion of an amendment or is a division applicable only in the case of voting on an amendment?

The CHAIRMAN. Yes. That is what has been done here.

(Mr. SMITH of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Wisconsin. Mr. Chairman, my amendment to this first section of title would cut the appropriation for military \$328,000,000. I know how sacred a proposition this military thing is, but in view of the testimony before our committee I think my cut of \$328,000,000 is as much justified as is the figure that is in the bill.

We know that the testimony was very indefinite and uncertain. We were not able to pinpoint or to determine exactly what the need was for military end items, and I submit that so far as the record is concerned that much of the testimony that we had was of a guessing variety. We would insist upon specific testimony being brought in to justify the amount but, of course, the old bugaboo of secrecy confronted us.

I want to call your attention to a statement made by the gentleman from Ohio yesterday in connection with this matter which points out exactly what went on as far as the committee was concerned and so far as those who tried to justify these items are concerned. I refer to yesterday's RECORD, August 16, on page 10354. We had General Scott before the committee. There was some question as to how much of the end items had been delivered.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from New York.

Mr. ROOSEVELT. Can the gentleman give us the second part of his proposed amendment, how much that cut is?

Mr. SMITH of Wisconsin. Yes. That cut is \$672,000,000. We had an appropriation as of June 30, 1951 for military items of \$5,794,300,000. That was the amount we appropriated. The gentleman from Ohio tried to find out what has been delivered. They wound up by showing that actually the correct figures on delivery as against a \$5,500,000,000 appropriation were \$108,400,000 worth of end items. The first guess was some-

thing like \$450,000,000. General Scott was off only \$291,000,000 in 1 month of shipments. If that is the extent of the accuracy of the testimony then it is not entitled to much weight.

In this matter of ECA aid, Mr. Bissell, the Deputy Administrator, came before the committee and finally admitted that they were off \$500,000,000 on that item.

I submit that as far as this amount is concerned for military items, we can well afford to cut because money for military purposes is running out of our ears. Those who are in charge of the program know they cannot deliver with the money appropriated to them. The goods cannot be produced. The taxpayers of this country are asking that we as legislators here this afternoon give these huge authorizations a good going over. Certainly it seems to me that this \$238,000,000 cut is amply justified.

Mr. RIBICOFF. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is easy for me to understand how Members of this body who are not members of the Committee on Foreign Affairs could offer amendments similar to those offered by the gentleman from Pennsylvania, but it is most difficult for me to understand how any members of the committee, who were in attendance for 31 hearing days and 9 days of executive session, can be unaware of what the committee actually did in cutting these authorizations as originally sent down.

I think I can say to the House that there are no two more "show-me guys" in the Congress of the United States than the gentleman from South Carolina [Mr. RICHARDS], Mr. Chairman, and the gentleman from Ohio [Mr. VORVY]. Our committee frizzled and fried every bit of fat that there was in this particular bill.

I should like to give the House some facts and not generalities as to what we really did, because you will find actual cuts throughout the entire breadth of this bill.

This bill came down from the executive branch for \$8,500,000,000. For title I there was allowed \$6,968,000,000. The chairman of our committee in introducing his bill deducted from title I a total of \$605,000,000. You are talking now about \$605,000,000, but that is just the beginning. What else did we do in the committee to cut this authorization in title I? In the first place, we deducted from title I the sum of \$55,000,000, and put it in title VI. Title VI provides that that \$55,000,000 will go for the procurement and development of strategic materials all over the world. So there is another \$55,000,000 deducted. In addition, the cost for administering this program all over the globe comes out of title I, and that will take approximately \$78,000,000 more from title I.

Furthermore, the gentleman from Ohio [Mr. VORVY] introduced in committee, and it was overwhelmingly adopted, an amendment which will be found in section 612 of the bill. Section 612 provides that 20 percent of all the authorizations for ECA shall be by way of loan. That means that this is not give-away money, but that this is \$320,000,000 of come-back money to

the United States of America. So, if you are talking about whether we are giving away the money of the United States of America and of our taxpayers, here is another \$320,000,000 that is not give-away funds, but represents an actual cut in the authorization.

What else have we done to further a cut? If you read the bill, and try to understand it, you will find in section 612 (2) (D), a provision also introduced by that great student of foreign affairs, the gentleman from Ohio [Mr. VORYS], a provision requiring that \$500,000,000 of the counterpart fund be utilized for the specific purpose of increasing military production. If you understand how the counterpart fund works, you will know this fund was originally used, or intended to be used, to help the economies of all these European nations, but with the requirement of this amendment, we take \$500,000,000 more for the purpose of increasing military production.

So, if my figures are correct, we actually shaved off of title I, \$1,053,000,000 and a contingent fund of an additional \$500,000,000. Therefore, the gentleman are not explaining this bill to the House when they tell you we have not cut the bill in committee. Now it is all right for you gentlemen to go back to your home districts and say that we have cut this bill and that we have saved \$500,000,000. But will you be frank enough to go back to your districts and tell your people that at the same time you are hurting the security of the United States of America? This reminds me of the profligate husband who tells his wife to go out on a shopping spree on the money that he saved by canceling his life-insurance policy. What protection. That is exactly what you will be doing. I say the amendment of the gentleman from the Keystone State is actually an amendment which will remove one keystone from the security of the United States of America. If you believe in this bill and if you believe in the principle of this mutual security program, you should be in favor of the bill that we have worked out in committee so carefully. But, if you are against the bill, then vote against it and do not try to hamstring it by these undercutting amendments.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in answer to the gentleman from Connecticut, I think that a cut of one-fiftieth on a \$25,000,000,000 program, which is a cut of 2 percent on this 3-year defense program, which we are just entering into under this mutual security bill, is a little something less than the keystone of defense of the United States of America.

Mr. RIBICOFF. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I am glad to yield to the gentleman.

Mr. RIBICOFF. The gentleman is talking about a 3-year program here, when the gentleman knows that we are now considering the authorization for the first year, and that what happens 2 years from now depends upon what the Congress does. We must address ourselves to the cut which you propose

now in this bill, and not talk of something that will come up in 1952 or 1953.

Mr. FULTON. Of course, we all know this is part of a \$25,000,000,000 program. Secretary of State Acheson has said so in his testimony before the Senate committee.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman from Connecticut [Mr. RIBICOFF] made the suggestion that if anyone was against the bill he should just vote against it, but not undertake to scuttle it or cripple it with amendments. Does not the gentleman agree with me that one might be for this program but he might yet exercise his own judgment about how much needs to be appropriated to implement it? Certainly, to question the good faith of anyone who raises a question about a figure, particularly when the members of the Foreign Affairs Committee themselves say they cannot justify it dollar for dollar, is not a fair argument.

Mr. FULTON. I agree with the gentleman. Positions have changed in 2 years. At that time I supported the full military assistance and economic aid in title I amounting to \$1,168,000,000. On August 18, 1949, the gentleman from South Carolina [Mr. RICHARDS] introduced an amendment to cut \$584,000,000 from title I, military aid to Europe, in the mutual defense assistance program, when it first started and when conditions were much worse, when the United States had not given this aid to Europe and when there was great disparity in our forces. I argued against that 50 percent cut that the gentleman from South Carolina recommended then, as I felt it affected the success of the program and United States security. These same countries then needed only \$155,000,000 to expand their military plants in Europe and to increase their arms production. The House voted that be cut by 50 percent through that amendment. It was too much of a cut and amount was restored. Now, on a big authorization for military and economic purposes of \$6,000,000,000 in title I, I come in with less than a 10-percent cut, and one member from the committee feels that might be pulling something called the keystone of the defense. Well, it is something less than that broad statement, we all know. If we look at the whole program of \$25,000,000,000, a cut of 2 percent is simply saying to these fellows, "Be careful of your administrative expenses. Use up the large balances of funds these programs already have from previous programs."

Let me show you what balances they already have. You would think from hearing the arguments here that the \$300,000,000 cut on economic aid was going to hurt something. There is right now in economic aid, in the pipelines, that has not yet reached the European countries, \$1,507,000,000. So a billion and a half dollars in title I, is on the way to Europe in the pipeline, which will give these countries a great further boost above 1938-39 levels.

Now, on the military program, let us see what else they have.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. On page 3 of the bill, lines 24 and 25, the bill provides:

In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued—

Mr. FULTON. Those balances are in this program by that section. I am reducing the \$1,335,000,000 figure for economic aid under title I simply by \$300,000,000, and we will still have a billion and a half that is moving in the pipelines to Europe in addition. So that, with my amendment, they still have \$2,500,000,000 in economic aid for 1 year, after 3 years of the Marshall-plan program.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Nebraska.

Mr. STEFAN. Do your figures include the counterpart funds?

Mr. FULTON. No.

Mr. STEFAN. Is there any limitation on counterpart funds?

Mr. FULTON. These counterpart funds can be used either for economic or military aid as agreed upon between the United States and recipient countries.

Mr. STEFAN. These are dollars you are talking about?

Mr. FULTON. Yes; the figures I have given are in dollars. The joint accounts are held in the currencies in each country.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes to explain these figures.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BURDICK. Mr. Chairman, I object.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. FULTON. I am sorry I cannot yield further.

I would like to answer the question of the gentleman from Nebraska [Mr. STEFAN] as to the unexpended counterpart funds. There is now \$1,728,000,000 in joint accounts with those countries in which the United States has a joint interest, in unexpended counterpart funds. At the present time the balance available, that they have not even decided where it shall go, is \$1,534,000,000.

Now, on military aid: From the fiscal year 1950 in military aid in title I there is still \$146,100,000 not even obligated; no orders for military equipment have been issued on these funds.

As of June 30, 1951, under title I there is unobligated \$315,000,000, under the military program.

The total military program unobligated balance as of June 30, 1951, is \$456,000,000.

Going over to the economic side we find there is a total of \$112,600,000 unobligated in the economic program as of June 30 of this year.

This makes a total of unobligated money right now of \$568,600,000 for title I, military and economic aid.

Then go over to counterpart funds and we find \$1,728,000,000 for Europe in local funds which can be used on both military and economic aid.

In the pipeline you find \$1,500,000,000 more that has not even reached Europe in economic aid.

I think that will explain why this title should be cut. I ask anybody on the committee to deny that those figures are the exact figures of our own committee staff reports. These figures are being read right from the committee staff reports.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as the gentleman from Pennsylvania has mentioned my name in connection with these proposed cuts and cuts I have offered in the past, and my attitude in the premises I think I should say something about it.

As I said in the House yesterday, I do not apologize for my action in 1949 when I proposed to cut in half the mutual defense assistance authorization for Europe, and I told the House why: We had no unified command; the men were not marching, and we had no Eisenhower in command. I thought it was folly to provide a 2-year program when not even a 1-year program had been started. But the gentleman from Pennsylvania, who at that time favored a 2-year program, has now developed into a great economizer in the Foreign Affairs Committee where he said he worked so hard and so strong for economy. The figures in this bill are not sacred; the figures from the executive branch are not sacred; I have never contended that they were. The figures I presented in title I are not sacred; I have never pretended they were. I do say that they are my honest conclusions; these cuts in the bill are made where the economy of the United States could stand them and where the framework of the aid program could stand them.

But what did the gentleman from Pennsylvania do when we had this bill in committee, my bill (H. R. 5020) containing a cut of \$265,000,000 I proposed cuts in my bill of \$200,000,000? Did the gentleman from Pennsylvania—according to his own words—propose in the Foreign Affairs Committee to cut the over-all figure of the bill by one dollar? No; and neither did he propose the cut or add to the cut of \$285,000,000 in economic aid made in my bill (H. R. 5020). On the contrary, the gentleman was very consistent; in every one of the aid programs brought to the House he has gone down the line to the dollar for the amount that the executive branch proposes.

The gentleman from Pennsylvania did not propose to cut one single dollar when the Foreign Affairs Committee was considering this bill; on the con-

trary, he proposed to add \$150,000,000 to it.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I do not yield.

Mr. FULTON. I should like to make a correction on that.

Mr. RICHARDS. The gentleman proposed to add \$150,000,000 to it. When did he "get religion?" What caused the gentleman from Pennsylvania suddenly to become an economizer? Is it a desire on his part to cut the ground from under the chairman of the Foreign Affairs Committee because he does not like something the chairman has done? I do not know. But I will say this: the chairman of the Foreign Affairs Committee has done something that is rather new in proceedings in this Congress. He took the bull by the horns and cut \$550,000,000 off of title I of this bill and the committee agreed with this figure. Now all of a sudden the gentleman from Pennsylvania, the great economizer, comes in here with some figures that he says are sacred, and the gentleman who wanted to add \$150,000,000 to this bill now wants to cut it down by another \$500,000,000. Now, overnight, he says that in the interest of the welfare and security of the United States the House should cut title I funds according to the Fulton figures.

Mr. GARY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, this amendment strikes at the mutual-defense program in Europe which General Eisenhower is laboring so hard to implement at the present time. It was my privilege several weeks ago to visit Europe with 17 other Members of the House who went over to look over this program.

I know that a great many people in this House are saying today: "We believe in the Eisenhower military program but we want to cut the economic aid."

Let me say to you in all seriousness that there is no difference between the military program and the economic program today in Europe. I will give you an illustration which shows how the economic-aid funds are being used. We visited a plant in Holland which is one of the most modern airplane plants I have ever seen. As a matter of fact, before the plant was built they sent engineers to the United States to look over plants here. This plant would do credit to any manufacturer in the United States.

At that plant they are turning out Mercury fighting planes for use in the mutual-defense program. Let me show you how the various countries are cooperating. The license for the Mercury plane is owned by England, so England is permitting the planes to be built under its license. The engines are being manufactured in the Rolls-Royce plant in Belgium. Those engines are then sent to Holland. Holland builds the frames, assembles the planes, and they go out from that plant ready to fly.

The United States under the economic-aid program lent \$350,000 to build that plant. Now that is where a part of your economic aid went—to help build that plant so that these fighting planes

can be manufactured for defense purposes. The economic aid in Europe today is being used for such purposes.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. Is it not a fact, though, that in that plant those airplane engines are made in minor quantities and are not having any appreciable effect on the defense of Europe?

Mr. GARY. Of course, they are not turning them out in mass production like we are in the United States; but if we can help those countries to help themselves we will relieve the United States of just that much effort, and that is what we are doing in this particular case.

Let me say to you in connection with the amounts you are considering today that this is a bill merely authorizing the funds for this program. You will get another shot at the amounts in the appropriation bill that will come before you later. I have the privilege of being chairman of the subcommittee of the Appropriations Committee that will consider these appropriations. I think it is an able subcommittee. We have as members the gentleman from New York [Mr. ROONEY], the gentleman from Kentucky [Mr. BATES], the gentleman from Massachusetts [Mr. WIGGLESWORTH], and the gentleman from New York [Mr. COUDERT]. We are going to be conducting hearings during at least a part of the recess when the other Members will be away from Washington enjoying themselves and we will be considering the very questions you are trying to settle here on the floor today. I pledge to the House that our committee will consider very, very carefully every item that is requested for this program. I ask you to give us a little latitude in the authorizing legislation.

I promise you that our committee, when we bring the appropriation bill before you, will have a bill that we can fully justify.

Mr. BURDICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I propose to support all amendments to this bill that will limit the amount of money appropriated, but even with these amendments I will vote "no" on the entire bill.

I did not favor this Atlantic Pact, and spoke against it, and have had no reason, upon reflection, to change my vote. Over 5 years have passed since the shooting in World War II stopped, and Western Europe has been exposed to overwhelming Russian armies ever since—but no trouble has broken out, and in my opinion no trouble will break out. My reasons for this belief are based on the following facts: Great Britain has been, and still is, carrying on a brisk trade with Russia. The fact is Russia is a good customer of the British Empire, and England has many manufactured articles that Russia wants. England is a manufacturing island, and she depends on manufacture and trade to exist. As long as this relation between Russia and England continues, two things are certain:

First. Russia will not attack England.

Second, England will not be much concerned with arming against Russia.

We have absolutely no business at all in Western Europe, because under the terms of the Atlantic Pact itself we are not obligated to go to the defense of any of the countries contained within the pact, unless one of these countries is invaded; when that happens, under the terms of the pact, we automatically declare war on the aggressor and enter the conflict. Congress has been stripped of any power to declare or refuse to declare war against such an aggressor as the terms of the treaty provide automatic war, without any further action on the part of Congress.

No country in Western Europe has been attacked by any aggressor, so just what is our status in Western Europe today? We have Sir Dwight Eisenhower already titled by the British, running around Europe playing Paul Revere to arouse those countries to action. We have seen that England is not concerned about the situation. France cannot be stirred up to fight an aggressor that has not yet appeared, and besides the French people are about equally divided between Communists and anti-Communists. Sweden and Denmark do not want any of it and Norway is not enthusiastic and many of the countries who have had experience in world wars cannot stand another invasion and another American liberation. The liberation, to them, is more damaging than the invasion, because when we get through liberating a country there is not much left of it except the road signs.

Germany holds back and well she might. The deal we handed the Germans is still remembered and will be for generations. We could have taken Berlin in 3 days, but we camped outside of Berlin for 3 weeks to give the Russians a chance to take Berlin. General Patton could have entered at any time, but he was stopped by General Eisenhower, who no doubt was acting upon orders from Washington.

The Russians entered and there has been nothing but turmoil and intrigue between the occupying forces ever since. The German people have been the sufferers in this game of politics and they have reason to doubt us in the present situation. If Germany is attacked, of course, the Germans will fight, but they will never grow enthusiastic over our war scarce in Europe.

We are to dump \$8,500,000,000 more into the hopper of international strife and to no present purpose and at a time when, under the pact, we have no business in Europe.

I would not be much surprised that the \$2,000,000,000 to be spent on France would finally fall into the hands of the Communists, just as our money assigned to Czechoslovakia went. You have not very far to go as the United Nations is composed of delegates who represent more Communist people than are represented by the anti-Communist group. A careful study of the multitude of organizations within the United Nations is spreading communistic ideas directed at this country faster than the Russians are. The UN seems more concerned with

changing our laws here than they are in any other country. If they can concoct a law or convention which when approved will set one law aside in the United States, it can set other laws aside. The Genocide Convention now before the Senate, if adopted, will take away the jurisdiction of our courts to give protection to citizens of this country who are charged with crime as defined by the United Nations.

I am for this country regardless of all organizations and the sooner we quit spending money in wild goose chases around the world with Communist advisers, the more apt we shall be to protect this Republic. Of the 60 nations in the United Nations, how many of them can give us any protection? In the trial run in Korea, 52 of those nations have not contributed a single man or a single dollar. I would rather rely on one State in the United States, than to rely on all of Latin America from Mexico to Cape Horn. We are capable of defending ourselves—abundantly capable—if we spend 25 percent of the money we are giving away and spend it on our own defense. We are abundantly capable of aiding any country that is willing to stand up and fight, but to spend money on Great Britain who cannot resist the rich trade with Russia and who sucks us in to defend her trade is a perfect example of the asininity of our foreign policy.

I am sure a few amendments to our Constitution can head off some of this international interference:

First, I have introduced a constitutional amendment making all treaties subject to approval by both Houses of Congress.

Second, in another amendment I propose that no citizen of this country shall be compelled to serve in the Armed Forces of the United States in any foreign country, unless Congress has declared war on that country, and that no citizen of the United States shall be compelled to serve in the Armed Forces of the United States under any other banner or insignia than that of the Stars and Stripes of the United States of America.

These amendments will protect this country from the activities of the United Nations in interfering with the laws of this country, and will end sending our boys across the seas to enter conflicts which the Congress of the United States has not declared as wars.

It will check the plan of General Eisenhower to have all soldiers in Western Europe wear the same uniform and march under the banner and flag of the United Nations instead of the Stars and Stripes of the United States.

The taxpayers of the United States can no longer support appropriations in one Congress aggregating over \$80,000,000,000 for supporting our international meddling. We will have to call a halt sometime and that time has arrived so far as I am concerned. I will vote "No" on this bill, no matter how it is reduced by amendments.

I submit a dispatch from London dated August 15, 1951:

[From the Chicago Tribune of July 16, 1951]

BRITISH TO DEFEY UNITED STATES AND TRADE WITH RED BLOC—MAKE NEW DEAL SWAPPING RUBBER FOR TIMBER

LONDON, August 15.—A British spokesman said today that short of general war, this nation must continue to do business with Communist countries despite American criticism.

Hartley Shawcross, president of the board of trade, urged the American people to believe Britain's economic woes make trade with East Europe essential and irreplaceable.

In a major policy speech at Truro, Cornwall, Shawcross also disclosed that Russia has reserved the right to tear up a new \$28,000,000 timber contract with Britain unless this country swaps rubber supplies in return.

MOSCOW WANTS UNITED STATES TRADE

About the time Shawcross was speaking, the Moscow radio broadcast a plea for more trade between Russia and the United States. An article in the English language News, the radio said, expressed the view that a revival of Soviet-American trade would be a valuable contribution toward a healthier world economy. It suggested the United States, machine-tool industry could find a big market in Russia.

Timber and grain make up the bulk of Russia's exports to Britain. The British pay with wool, rubber, machinery, and such other Commonwealth products as jute, cotton, and cocoa.

Shawcross said Britain will continue the general western ban on shipment of war-potential goods.

But the Battle bill in the United States Congress, with few exceptions, would bar all forms of American aid to nations which do any trading with Communist countries.

"This (east-west trade) is not a matter which ought to be settled by the laying down of unilateral conditions or by the denial of supplies essential to our well-being," Shawcross said. "It is preeminently one for frank but friendly discussion between allies."

GETS 6,000 TONS MONTHLY

Under American pressure, Britain last April cut off all British rubber exports to Red China. Rubber has important war uses. Rubber exports have continued to Russia, but on a basis of rationing. Britain sends 6,000 tons to Russia monthly, a quantity considered necessary for her normal civilian needs.

Anglo-Soviet discussions have begun for a new coarse-grains agreement to cover the Russians' latest harvest-sales period. This country hopes to get up to a million tons of corn, barley, and oats.

Shawcross noted that 60 percent of Britain's food is imported. He warned Britain's world trade balance is showing a deficit and is especially serious on the dollar side. Britain could get grains and timber to replace her Russian supplies only from the dollar area.

The biggest items of Commonwealth trade with Russia in 1950 were wool and rubber.

(Mr. JACKSON of California asked and was given permission to extend his remarks at this point in the Record.)

Mr. JACKSON of California. Mr. Chairman, again it appears that the President has overridden the expressed will of the Congress and has set out on a course of action designed to nullify the rightful exercise of its powers by the legislative branch.

Not more than a week ago the House took action on an amendment offered by the gentleman from Alabama [Mr. RAINS] which would have authorized the

Chief Executive to take steps looking to the dispersal of plants and industries considered by him to be dangerously centralized and subject to enemy attack. The House listened to the arguments in favor of the gentleman's amendment, and after mature consideration of the provisions of the amendment proceeded to vote down the measure in the committee. In light of the fact that the other body had taken similar action on the proposal, it appeared certain that plant dispersal had been disposed of for a few weeks at least. Those who thought so knew little of the obstinacy which is the hallmark of the bureaucrat.

On Friday, last, and in a manner which could only lead one to think that the President holds the legislative branch and its acts in utter contempt, Mr. Truman instructed Defense Mobilizer Charles E. Wilson to proceed with administration plans for plant disposal, the action of the Congress to the contrary notwithstanding. As the matter stands at the moment these plans will be carried into effect, and industry and labor will be told when and where to build and to work. Precedents for such arbitrary action are not difficult to find, nor historically remote. Every dictatorship in history, from the Nile Valley to the planned socialism of England, have depended upon an absolute power in the hands of the rulers to direct employment, the location and the production of industry; and the regulatory power over such dispositions have been detailed in much the same manner as is proposed by the President.

We find again the excuse that the proposed dispersal of American industry and American workers is necessary in the national defense. If many of the planners here in Washington were to have their way, we should soon find ourselves completely at the mercy of the total state without having had an opportunity to strike a blow in defense, and all would be accomplished under the guise of aiding the defense effort.

If the Congress permits this blatant usurpation of its power to legislate and to declare its clear intent with respect to such legislation, we might better close the doors of these halls and return to our homes, there to find our respective places in the new order and prepare ourselves for life in a state where the people have no direction of their individual and collective destinies.

The fact that many of our great leaders of industry have not raised their voice in protest over the unwarranted and arbitrary action of the President and his advisers is tragic evidence of the sad state of disrepair into which the American spirit has fallen. So complete has become the dependence of many businessmen upon the largess of the Federal Government, that today they lack the courage to speak up in their own behalf. Like a parcel of mendicants they take their instructions meekly and without a murmur of protest. I am content to hold out the shoe of subjugation to government and let those wear it on whose feet it feels comfortable.

Nor have the protests of organized labor been forthcoming, yet men and

women who work for a living in the great industries are affected even more than management. These are the men and women who have hoarded their savings to buy a home. These are the Americans whose children have been raised in the community in which the plant is located, and whose youngsters attend the local schools. If they are prepared to tear up their economic roots at the direction of the President, they alone must suffer the consequences.

Why has American industry centered in certain areas? The answers are obvious and many. Geography, transportation, access to raw materials, facilities for producing, harvesting, and marketing, have all contributed to the growth of centers of industry and business. Yet the social planners, working as always with funds from the taxpayer's pocket, propose to repeal additional natural laws governing commercial transactions.

The mortarboard morons, fresh from a Pyrrhic victory over the law of supply and demand seek new fields to conquer, and dispersal of industry is the newest fascinating toy. No one suggests what the bill will amount to as the national defense wizards move toward the disruption of an industrial economy which has outstripped the world in know-how and production.

It is past time for the Congress to bare its teeth. Its vaunted power and authority is in rags and tatters, its expressed wishes and intent treated as the aberrations of a diseased mind. Unless it stands to its guns and services them when necessary, there is no excuse for its existence as the legislative agent of a free people.

When the Government tells a worker where to work, it is a police state government. When an administration withholds essential material or contracts because it does not approve the location of an industry, it becomes a power of economic life or death, and wields a whip-lash of destruction.

The President should be informed of the intent of the Congress on the question of plant dispersal. It was perfectly clear to all of us what was intended when the House and the other body acted, but evidently Mr. Truman still does not get the idea. We should say to the President that the Congress meant hands off American industry and American labor.

The action of the administration in seeking to disperse American industry and labor in the face of a protest from the Congress and the American people is not new. Since 1940 the plans have gone forward and a new publication, *Is Your Plant a Target?*, issued by the National Security Resources Board draws the blueprint for the action to be taken in circumventing the will of the Congress.

It is past time that action be taken to curb the arrogance of the administration.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is one thing about the gentleman from North Dakota [Mr. BURDICK], when he gets through speaking we all know where he stands, and that certainly is commendable.

Mr. Chairman, we have heard in the course of the debate a question raised as to whether or not the gentleman from Pennsylvania or the gentleman from Wisconsin proposed these cuts in the committee. I do not think that makes any difference. It does not make any difference to me. It might mean something personal to somebody on the committee, but, as far as I am concerned, I have a responsibility here to the people I represent and to my own conscience to try to do what is right in this matter in the best interests of my country. So to my mind it does not add anything to question the integrity or the continuity of purpose or anything else that might be involved in respect to anyone who offers an amendment.

Let me say also that I commend the committee on the cuts it has made in these amounts. I commend the gentleman from South Carolina who said of himself that he thinks probably he perhaps started something new as far as his committee is concerned by backing some cuts himself.

From what I have been able to discover in this matter, and unfortunately there is quite a curtain of secrecy drawn here, the need for which I sometimes doubt, I just do not happen to believe that the cuts have gone deep enough. You might say to me, "Well, how are you going to prove that by any arithmetic?" I answer that by asking, "Where is the arithmetic by which you establish the figure you have here arrived at?" There is no such arithmetic.

Someone has well said in the debate that we are not dealing with an exact matter; the best we can do is to exercise our best judgment about it on the basis of the facts we are permitted to have, and then vote accordingly.

Of course, the chairman of the committee and all of us must recognize there is nothing sacred in any of these figures; there is nothing inviolate in respect to any of them.

Let me point out again that it cannot be said of anyone who may challenge the figure that is here before us, who seeks to reduce it, that he thereby is against the whole program or is undertaking by subterfuge or sabotage to kill or scuttle the program. Quite the contrary. One may be for the program and believe that it is desirable in our own national interest to further the program, but in the light of our own economies here at home and our obligations in the world, it is necessary to take a long, hard look at how far we ought to go and how much we ought to do in an attempt to implement that program. That is the reason I am going to support the Smith amendment. If that is defeated, I am going to support the Fulton amendment.

A suggestion was made here that the Committee on Appropriations will shortly come along and that this probably is where justification of the figures should be established. Let me pay my respects to that argument, may I say, as it was advanced by the gentleman from Virginia [Mr. GARY]. I think he spoke rightly. I think the Committee on Appropriations should take a good, hard long look at whatever is to be appropriated and exercise its final, last judg-

ment in its recommendations to us. But I do not believe we can escape our responsibility, a primary responsibility that comes to us as we consider first the authorization bill.

Here we are dealing with figures, and if it is not important that the figures be as near what they should be as we can get them, then why put in any figures at all? Moreover, time and again after we have voted this kind of an authorization, and the figure has been put into the bill, as it goes into passage, the Committee on Appropriations says, "We want to look into the amount here. We want to have it proved to us." Then some newspapers in their editorial columns will come out and say "What goes on here? Why is JOHN TABER questioning the figure? The Congress voted on that once. What right does the Committee on Appropriations have to take another look at it?"

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Chairman, to my mind, for that reason—if for no other—in order that it be definitely understood in the country, we ought to express ourselves here and now in connection with this authorization bill. In 1950—and this by no means is an injection of any partisan note into the debate here today—quite to the contrary, it deals if anything on the other side—the Republicans of the Congress of the United States issued a declaration of principles and policies, and in order that it be in the record, let me read to you this sentence which was included in that declaration of principles and policies:

We favor full support of the inter-American system as an integral part of the international organization and of our treaty obligations in the North Atlantic community.

I well recall, because I served on the committee which prepared this draft, that a question was raised as to our obligations under the Atlantic Pact, and the suggestion was promptly made that that matter had been passed upon, the treaty confirmed and approved by the Senate of the United States by a vote of 82 to 13, and that our obligations thereunder had been created. But that is not to say there is not every reason in the world to examine what support should be extended, and how much it should be.

In respect to aid otherwise, we said the following:

We support aid to those states resisting communism, but such aid should be given only if it is given to our national security; if it is within the total limits which the American economy can afford; if it will be effective; and if it is beyond the ability of the aided nation to supply for itself; and if there is a program for progressive reduction.

Mr. Chairman, I do not need to remind the responsible Members of the House of Representatives that it is obvious with the appropriation we are making for the

security of our country, that we are rushing headlong into more deficit financing with an increase in the national debt. I know that you say, "We all understand that and we all know about it." But, there is no one among you who will not agree with me that in that very process, there is a danger signal for this country of ours. Hence we have fought here in respect to appropriations on the home front to bring about a belt tightening, and to avoid as much as possible unnecessary drain upon our economy. Is it too much to ask as we go into these foreign programs, that we exercise that same sort of belt tightening? Is it too much to ask that we should say to the people who we are seeking to help and who we hope will be our friends in the event of trouble, "You, too, must be judicious and helpful and economical in the use of the funds and materials we give you"? Yes—materials that we give them because it is in our own self interest to do so.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last word and rise in support of the Smith amendment.

(Mr. DAVIS of Georgia asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Georgia. Mr. Chairman, I rise to support the Smith amendment. I want to commend the chairman and the members of the committee for the reductions which they made in the committee. In my opinion, however, they have not gone far enough with these reductions.

I think the ECA request could be cut \$2,000,000,000 without jeopardizing the military program, and to the great benefit of the American taxpayer who is footing the bill for all this global spending under the ECA program, which includes everything from free farm machinery to hydroelectric dams, powerhouses, and canals.

It is no help to the American taxpayer to tell him that counterpart dollars are being used to construct these huge projects and chains of giant dams, powerhouses, canals, and so forth. Every counterpart dollar that exists anywhere, exists because a corresponding American dollar was first taken from the pocket of an American taxpayer.

House Document No. 198 of this Congress is the twelfth report to Congress of the Economic Cooperation Administration. It covers the period ending March 31, 1951. It is a book containing 156 pages of information on this world-wide spending and give-away program. It would pay everybody to read it and study it. It tells about the chains of giant powerhouses, dams, and canals which we are financing all over Europe and elsewhere in the world, while our own people are being told that we must forego dams, flood control, navigation and irrigation projects because we cannot afford them on account of the military program.

This report gives on page 36 a breakdown of the countries receiving this ECA aid from our taxpayers, and the amount

distributed through March 31, 1951 to each. It shows that up to that date the total was \$11,221,300,000. It does not include the \$83,457,000 Far East aid program through March 31, 1951. That breakdown is on page 62, and shows the amounts given to Formosa, Indochina, Burma, Indonesia, Thailand, India, and others, and it does not include the \$190,000,000 recently voted to India for grain. Neither does it include the \$2,000,000,000 we have given to the Philippines since the war ended, as outlined in the statement of Philippine Ambassador Myron Cowen on June 15, 1951, State Department press release No. 516.

I am convinced that we have given much of our taxpayers' money unnecessarily to countries and to projects that could have gotten along without it. What was the purpose in including Switzerland in the European recovery program? She was not in the war. She stood on the side lines and suffered no devastation. Let it be said to her credit that she accepted none of our money. But she was included in the program, and could have gotten our taxpayers' money by merely holding out her hand.

We owe a national debt of \$256,000,000,000. This is nearly twice as much as the combined national debt of all the principal nations which have received or are scheduled to receive American aid. Our per capita debt of \$1,682 is higher than the per capita debt of any of those nations. We have imposed about all the taxes our people can bear. Spending is still increasing, as everyone of us in this body knows full well.

Since the ECA plan was first devised and placed into operation, many unexpected events have occurred.

When the ECA program was formulated, the Korean War was not expected, nor was all the expense contemplated which it brought.

When the ECA program was made up the \$56,000,000,000 military appropriation bill we passed a few days ago was not contemplated. Neither was the \$5,000,000,000 military construction bill we passed last week contemplated, nor was the \$7,000,000,000 new tax bill we passed a few weeks ago. We did not contemplate at that time an armed force of 3,500,000 men. Yet all these things have become necessary since that time.

We have been forced to revise our spending upward to the extent of something like a hundred billion dollars, and more to come, but it is claimed here that we cannot revise this foreign-aid program downward by \$2,000,000,000. I say it can be revised downward to that extent by reducing this ECA program, and not injure our military program at all. The military aid in this bill will amply take care of the situation.

We have given away since July 1, 1940, through March 31, 1951, a gross sum of \$80,649,000,000 as foreign aid. All the revision should not be upward. There must be some revision downward. This is the time and place to begin it.

The \$1,000,000,000 reduction which the Smith amendment provides will greatly benefit the American taxpayer, because he is already taxed almost to the limit. This sum can well be taken out

of this foreign-aid program from the ECA funds, because European production has already passed prewar levels. I quote the following from the twelfth report to Congress of the Economic Cooperation Administration—page 10:

There was no slackening in the over-all pace of Western European industrial activity during the first quarter of 1951. While the level of output in some countries fell below that in the previous quarter, it rose to a new high in others. Despite the increasing shortage of raw materials, over-all production for the area averaged 139 percent of prewar levels—a gain of 13 percent over production in the corresponding quarter a year earlier (appendix, table A-1).

How much higher must their production go beyond prewar levels before we cut down on the recovery money we have been sending them? If we cannot begin to cut down on these gifts when production reaches 139 percent of prewar levels, what figure must it reach before we can begin to cut down?

This same ECA report shows on page 13 that coal production in Western Europe averaged about 500,000 tons per month more than in the final quarter of 1950, and 700,000 tons per month more than in the first quarter of last year.

With over-all European production already 139 percent of prewar levels, with more than \$11,000,000,000 ECA money already contributed since April 1948, with military aid of more than \$6,000,000,000 carried in this bill for ECA countries, why is it not proper to lighten the burden on our own countrymen, when it will not hinder the military program?

Certainly it can be done, and should be done. For these and other good reasons I am supporting the Smith amendment.

Mrs. CHURCH. Mr. Chairman, I move to strike out the last word.

(Mrs. CHURCH asked and was given permission to revise and extend her remarks.)

Mrs. CHURCH. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin. In case that fails, I shall also support the amendment offered by the gentleman from Pennsylvania. I shall support every reasonable amendment to cut the amount requested. I shall do so, because I think such attempts to cut are honest attempts to meet head-on, and put some brake upon the profligacy with which we are spending public moneys. May I remind you that there is no one in this body who stands more strongly for national defense than myself. I shall continue to go the second mile for adequate national defense. I proved that point indubitably by voting recently for over \$61,000,000,000 in one short week.

Also, I have all the sympathy in the world for backward or needy nations; I certainly would wish for them all suitable help and progress possible and I would hope with equal certainty that we might have them with us when we need their help. But, Mr. Chairman, there are limits to our capacity to help; and on that score I approach this bill with more soul-searching than I have given to any other bill before the House. With all

that I want to do to help, and I expressed my good will and interest by voting to lend India the money to buy its needed wheat, I have come to the conclusion that we in the House have a responsibility that we are evading. Because of the structure perhaps, through which we plan legislation and appropriate moneys, we seem unable to make an over-all estimate of our national capacity to spend or of the relative importance of the requests for appropriations. Some time ago I introduced a bill, H. R. 3406, for the purpose of setting up a commission to investigate the administration of our overseas operations. We need the results of such an investigation when we are called upon today to vote on this very large and very important bill. But even such investigation is not enough; what I am now suggesting is that a committee of the House and Senate, or a commission, be created which will sit down and face the vital issue of how much money this Nation can actually and safely spend. I would in fact like such a group of experts to settle four questions:

First of all, how big a public debt can we safely carry and remain solvent?

Second, how much of a tax load can we safely put upon the American people?

Third, what within the Constitution is our actual right to tax for foreign projects? And I would submit to you on that score that if you study table 8 in this report you will find there certain items for which we are spending the American taxpayers' money, which might well be questioned if anyone wanted to raise the point.

Fourth, I would have this proposed committee, and every committee or agency that appropriates money or draws plans for which money must be appropriated, make very sure that for what we spend of American money we get something in return. That is no lack of humanitarianism; it is no lack of altruism; it is justifiable and necessary self-interest, unless we get back something for what we give it is dishonest to appropriate money.

All that I have said boils down to this: It is time for us to cast out the star dust from our eyes and the fear from our hearts. We know perfectly well the real fear that we should face. I have said over and over again, that my own main fear has been twofold: That, by the methods we are adopting in seeking to save our liberty, we lose all the liberties we have and the very freedom that we love; and, second, that in this feverish effort to build up national defense we become inextricably enmeshed in the clutches of engulfing militarism. Today, however, I face an even greater fear—the fear of national bankruptcy.

I call your attention to two sets of figures: When I first came to Washington in 1935 our national debt was \$28,700,892,625; today it is \$257,357,352,351, without including the indirect debt. In 1935 we spent \$3,520,965,945 in Federal expenditures; yesterday a member of the Senate Appropriations Committee told me that this year our expenditures for the Federal Government will be from ninety to one hundred billions.

This has been a great country. I use that tense of the verb intentionally. Its greatness was originally based on the endemic strength of human freedom, but it has endured to this day because we Americans have combined with our productive capacity, our idealism, and our sense of spiritual values, a hard core of common sense. We need that common sense today.

Such expenditures as we are continuing to vote make no sense unless we are sure that we can carry the load. I am tempted to say to you, when I think of this increase in spending within the last 16 short years, how crazy can we get?

This then we must know, of this we must be sure, before we appropriate any more huge sums of money: How far can we actually go? You know, as I know, that no national defense itself can stand, let alone world defense, unless we maintain national solvency. If we permit, even in a good cause, even in a noble cause, even in a desire to defend ourselves, the national economy to go bankrupt, our whole house will fall around our ears and with it will go the peace, the safety, and the hope of the free world.

Mr. COX. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, for clarity of statement and beauty of expression, there is no Member of this body that excels the gentlewoman who has just left the floor. She is strong and logical in what she has to say, and I salute her.

Mr. Chairman, I believe that this is the first instance where my position on important public legislation has not completely paralleled that of my devoted, genial, and able friend, the gentleman from Georgia [Mr. DAVIS]. The fact that I find myself in disagreement with him makes me wonder just a little bit as to the correctness and soundness of my views. However, Mr. Chairman, I must take a position which is in accordance with what my best judgment dictates, and with this in mind I have to differ from him.

I question no man's motive; I attack no Member's vote. Each must act within the light of his own best judgment and accept responsibility for what he or she may do. I dare say, Mr. Chairman, there is not a Member of this House who has indulged in criticism of the powers that be more liberally than myself. Maybe at times I have been reckless in the declarations I have made.

I have said that the mistakes of the administration handling our problems during and since World War II are responsible for the plight in which we and the rest of the free world find ourselves. I still think that is so. But, whatever the facts may be, Mr. Chairman, I am not relieved of the responsibility of overcoming these mistakes. I must continue to do my best in the interest of my country and to keep the flag still flying. So, being convinced, and profoundly so, that if we are to even hope for survival, we must cultivate friendships and formulate understanding between ourselves and the rest of the world which has not already been overrun by the Communist influence.

I know that committees handling bills of a character similar to that which is before the committee at this time quite frequently provide for margins that would give them some bargaining power. I know that that question arose in the putting together the bill, but that suggestion the chairman of the committee proudly and indignantly spurned, and I honor him for it. He took the position that he was under responsibility to keep good faith with the House, and that, whatever the results might be, he would continue to operate in an atmosphere of complete frankness; that he intended to reduce authorized appropriations to the minimum and take the responsibility of defending them. That I believe he and his committee has done. They have come here with a bill reducing the departmental recommendation something in the neighborhood of three-quarters of a billion dollars. I know they have more understanding of all of the problems involved in this bill than most of the rest of us, and therefore I think their judgment is entitled to greater consideration.

I know one thing, Mr. Chairman, I know that I want to keep the battlefields as far away from our homeland as possible. I have seen the devastation, wreckage, and ruins in areas where battles were fought. I have seen orphaned children in the tens of thousands roaming the streets of formerly great cities like little frightened dumb animals looking for food. I know, Mr. Chairman, that nobody wants war. I know that no one wants to waste the resources of our country; that no one wants to increase the national debt, nor do they want to impose heavier tax burdens upon the people; but, Mr. Chairman, the world situation is so desperate, our freedom is in such great peril, that the law of self-preservation compels us to make all sacrifices necessary to our survival.

(Mr. COX asked and was given permission to revise his remarks.)

Mr. KENNEDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Fulton and the Smith amendments are divided into two parts, one to cut the military assistance to Europe the other to cut the economic assistance. I think it would be a great mistake to cut military assistance. I think the whole difficulty in Europe is the slowness with which the Europeans are rearming and the inability of General Eisenhower and the other Americans there to successfully persuade them to rearm. Nevertheless, I do not see how it would help if we cut the military assistance that we are giving them. I do not think that that will advance our cause or will make Europe more secure. Are we going to stop giving Europeans assistance merely because the Europeans themselves are unwilling to make sacrifices to rearm themselves? I think that would be a mistake. I think it is entirely a different matter however to cut the economic assistance. I do not think sufficient grounds have been shown here why we should not, after all we have given them in the past, cut this tremendous economic aid.

Mr. Foster, in his testimony before the committee, said—and he is talking about the North Atlantic Treaty members:

We know that Europe's basic resources—such things as coal, steel, electric power, or even their total industrial potential—are roughly one and one-half times that of Russia and her European Communist satellite states.

Industrial production is up 140 percent of what it was in 1938. Their agricultural production is up at least 10 percent in all of the European countries in the North Atlantic Treaty. Yet the Europeans have been unwilling to make sufficient sacrifices to build up their own strength. I do not think there is any doubt but what the cut proposed in the Fulton amendment can be made. I think it is foolish to cut the military assistance, but I do not think there is any doubt but what the economic assistance can be cut. The one nation that is making great sacrifices is Great Britain, and under this bill she is not going to receive any economic assistance.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. I am sure the gentleman would be interested, so far as his argument is concerned, to know just what kind of a balance remains in both the economic and military aid.

Mr. KENNEDY. I know it is a tremendous balance.

Mr. SMITH of Wisconsin. I will give it to the gentleman. The military balance as of June 30 was \$4,782,300,000 and the economic-aid balance was \$1,698,000,000.

Mr. KENNEDY. I will say to the gentleman I am in favor of the economic cut. I do not see any point, however, in making a cut in the military. The great mistake we are making is in the slowness with which Europe is rearming. The one thing that will bring on a war is to rearm Europe gradually and slowly. But I do not think it will help to cut the amount of defense assistance to Europe.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield.

Mr. HOFFMAN of Michigan. Did not the gentleman say that one of General Eisenhower's difficulties was in forcing those people over there to rearm materially?

Mr. KENNEDY. I think the great failure is his inability to persuade them to rearm sufficiently. They are going to have under arms at the end of this year only 20 divisions, of which one-third are going to be American, in Western Germany under General Eisenhower.

Mr. HOFFMAN of Michigan. Does the gentleman think we have a fair prospect of winning a war in Western Europe where the people do not want to, will not rearm in their own defense?

Mr. KENNEDY. The prospects are against our making a success of this defense of Western Europe because I think the chances are in favor, at the present slow rate of European rearmament, of the Russians moving in to Western Europe before we are ready, but I think it is a risk that is worth taking. I am in favor of taking it. If you are going to do it at all, if you are going to give them any military assistance, I see no

point in cutting the amount we give them.

Mr. HOFFMAN of Michigan. I cannot see any point in attempting to force the people of Western Europe to fight in defense of their homeland if they do not want to do so.

Mr. KENNEDY. I think there can be a good argument for not giving them any military assistance, but if you are going to give them any you might as well give them the full amount. However, I do not think that is true about the economic assistance.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from New York.

Mr. KEATING. I wonder if the gentleman in reaching the conclusion that he cannot support any cut in the military aid part of it is aware of the provision on page 26 that permits the Army to use equipment and funds under the large bill which we previously passed at any time for this aid here? I feel that that is a considerable hedge if any mistake were made in voting for a reduction.

Mr. REECE of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it must be admitted by all of us who serve on the committee that these figures in the main were pulled out of the air; the figures which the Department sent up, the figures which the chairman used in the introduction of his bill and, too, the figures embodied in the Smith and Fulton amendments which are before us now. It has been very difficult to get information from the Government witnesses. It has almost been, using a homely expression, like trying to pull a rabbit out of a hole with a forked stick. You have just had to twist material information out of these witnesses. I think requests for these amounts should be justified.

I do not think the reductions proposed in the military phase of the amendment will reduce by one gun, one tank, or one airplane the matériel that goes to Europe next year. The amount of matériel to be sent abroad will be determined by the production facilities here in America, and they are being augmented to the maximum at the present time. I would not support an amendment that reduced our military effectiveness.

As the gentleman from Wisconsin said a moment ago, there is now about \$4,700,000,000 of unexpended military balances. In addition we appropriated here only a few days ago \$56,000,000,000 for defense and there is a provision in this bill which authorizes the Secretary of Defense to allocate to Europe up to 11 percent of either with or without compensation, production authorized in that bill. I do not think that means there is going to be any lessening of the sending of arms to Europe by reason of the adoption of either one of these amendments.

It means there will be available for Europe, if the Secretary of Defense sees fit to use it, more than eleven billion in arms.

So far as the proposed reductions in economic aid are concerned Mr. Foster or Mr. Bissell, when they were before the

committee, stated that except for the rearmament program, only \$672,000,000 is all that would be needed to complete the economic program in Europe. The rearmament program has not been stepped up appreciably in Europe. As has been repeated here, the defense budget in the NATO countries ranges from 2 percent to 9.7 percent. The rearmament program in Europe has not been stepped up enough to justify the proposed increase in economic aid even if it is to be used for that purpose. But further, as has been said, there is \$1,500,000,000 of the counterpart funds, all of which could be used as economic aid to the defense effort—and, I think, most of it should be used for that purpose. There is \$600,000,000 of the counterpart funds that has been used to pay off the national debt of those countries. Since we have moved into a military emergency, I think all of the counterpart funds, or almost all of the counterpart funds, should be used in the defense effort. These counterpart funds more than equal the amount of the proposed bill in economic aid.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield.

Mr. REECE of Tennessee. I yield.

Mr. ROOSEVELT. Will my good friend, the gentleman from Tennessee, agree with me that one of the major obstacles confronting the European nations in their rearmament program is the shortage of, and inability of those countries to get, the raw materials needed for rearmament. Such raw materials being steel, coal, iron and so forth. The other factor in the problem is their lack of machine tools and the factories to produce these materials. That is one of the reasons why this economic aid has been stepped up over the \$672,000,000 needed to finish out the Marshall plan, to permit them to use this additional new dollar economic aid to build up their economies so they will be able to make military preparations.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. REECE of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE of Tennessee. The industrial capacity of the NATO nations has been increased to 142 percent of the 1938 production.

Mr. ROOSEVELT. That is in consumer goods.

Mr. REECE of Tennessee. The industrial capacity of the NATO nations has been increased 142 percent of what it was in 1938.

Mr. ROOSEVELT. That is for consumer goods.

Mr. REECE of Tennessee. That is for all goods.

Mr. ROOSEVELT. That is right; they are consumer goods, not military goods.

Mr. REECE of Tennessee. The industrial capacity has been stepped up to 142 percent of what it was in 1938. Every nation is better off. As a further indication, there is practically no unemployment in any of the NATO countries.

The report in connection with this bill discusses the problem for setting up the machinery to transport labor from Italy and a few countries where there is a surplus into the NATO countries. Those countries are just as well off economically, as compared to 1938 standards, today as we are.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. REECE of Tennessee. I yield.

Mr. FULTON. The gentleman is in good company, when he talks for a cut, because Senator PAUL DOUGLAS, Democrat, of Illinois, came out for a billion-dollar cut, and Senator BLAIR MOODY, who has just returned from Europe yesterday, said, according to the Detroit Free Press: "Moody finds United States aid to Europe costly and said it can be had cheaper."

Mr. ROOSEVELT. Mr. Chairman, if my friend will yield, my good friend from Tennessee and my good friend from Pennsylvania know that when the Senator from Illinois said he was for a billion-dollar cut he fell right into the same trap that you have fallen into—he was completely unable to justify one dime of that cut.

Mr. REECE of Tennessee. We have heard a good deal about the justification for this. There has been little justification before this committee. Talk about secret testimony—there has been very little testimony given before our committee bearing upon the important phases of this bill that could not have been given to the public.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. ARENDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I, too, like many of the other Members who have spoken recently, pay my respects to the members of the Foreign Affairs Committee. I believe they are sincere in their approach to the problem before us. The gentleman from Connecticut [Mr. RIBICOFF], in his 5-minute talk a few moments ago, said that he wanted to present a few facts. I think he did, to the best of his ability. I find no fault with his presentation. However, he did not present many facts. I am not a member of the Foreign Affairs Committee and therefore would not be as familiar with the details of this legislation as the members of the committee. But I frankly wonder how much factual information was presented to the committee itself.

Since the day Admiral Denfield was fired for stating facts before the Armed Services Committee—a regular standing committee of the House of Representatives—I have felt that words have been put into the minds and mouths of all witnesses to present solely the administration's viewpoint. In other words, I do not accuse them of telling us untruths. I do not believe that. Most of these witnesses are fine, respectable gentlemen, but I question whether they tell us all the truth. I question whether they give us all the facts. The reason they do not is that to a degree their mouths have been closed, therefore we do not get all the facts.

Mr. Chairman, the question whether or not we should make an effort to reduce this bill can best be answered by two experiences I had within the last week. One of them was upon the return of a business friend of mine from a two and a half months' tour of Europe. He took his own automobile with him, and he went around, up and down the highways and byways of Europe. He did not spend his time in the embassies; he did not spend his time with ECA officials, but with the business folks and rank-and-file citizens of Central Europe.

After he told me his story, I said, "Could you, in one sentence, tell me exactly what your conclusion is as to the thinking of the people in Central Europe in relation to this foreign-aid problem?"

He answered, "I believe the honest opinion of the average citizen of Europe is that they are not convinced they should go all out in an effort to assist the United States of America, for the simple reason that they believe the United States of America will expend itself and be broke within the next 20 years, because of the extensive, costly programs we follow."

That shocked me. Even the average citizen of Europe questions our ability to stand these heavy drains on our resources and therefore questions the wisdom of following our recommendations.

The very next day I ran into another friend of mine. He is not a politician. As far as I know, he knows nothing about politics. He is down here doing a job for his country as a good, patriotic, American citizen. We visited a little while, and I tried to feel him out as to his views on this bill presently before us. To my astonishment he said he felt one would be right and justified in voting for a reduction in this bill or even against the entire bill.

I am not going to say anything to identify this individual, because he occupies a highly important position in Government affairs today. He deals with high-level policy and has first-hand knowledge of facts, both in Europe and in this country.

During the course of my conversation with him about this eight and one-half billion foreign-aid program, I spoke of the \$56,000,000,000 bill we had just passed, and the five-billion-odd-dollar bill for military public works. He said, "Do you know that the most surprised people in Washington when the House of Representatives passed the \$56,000,000,000 appropriation bill for defense was the Pentagon people?" And he emphasized that he knew it to be a fact from his contacts daily with them.

I inquired as to why that would be so, and he said, "For the simple reason that they did not expect to get that much. But they got it, and now they are going to worry about what to do with it should the Senate provide the same amount of funds as the House did."

I think we are justified in standing up here today and voting for cuts, both in the military aid and the economic aid. I should like to emphasize that out of that \$56,000,000,000 appropriation bill for defense sufficient money is available for military assistance abroad.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from New York.

Mr. KEATING. As I understand it, under the terms of this bill, the \$56,000,000,000 appropriation bill, which we made available to the military, is also available for the military assistance part of this program, if it should so happen that this committee did not vote a sufficient sum?

Mr. ARENDS. That is correct.

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield.

Mr. REECE of Tennessee. With reference to the statement of the gentleman from New York [Mr. KEATING], the fifty-six billion made available under the appropriation bill is available for use under this bill up to 11 percent.

Mr. Chairman, I mentioned these two experiences as indicative of the opinion of those who really know the facts. I should like to present a few conclusions of my own.

This bill is presented to us as part of our over-all defense program. It purports to be a bill to help maintain the security of the American people. In my opinion, that is its only valid justification for even being considered.

If the proposed expenditure of seven-billion-eight-hundred-and-forty-eight-million-odd dollars contemplated by this bill did not have some relationship to our own people's security, I would vote against this entire measure without the slightest hesitation. I am willing to consider it only on the premise that it may be to the best interests of the American people themselves.

One of the primary reasons we are in this sorry international mess today is that our own leaders have not been disposed to place the interests of the United States first. If they had, they certainly would not have made such extensive concessions to the demands of other nations and thereby produced this state of insecurity. There have been times when I have honestly felt that our own leaders have been more interested in the wants and needs of other peoples than in the wants and needs of our own people.

And so, I say, the time has long since arrived when we should think solely in terms of the best interests of the United States, first, last, and always. I have become weary and disgusted with the oft-repeated arguments that not to grant this aid or that, or not to follow some particular course of action will cause an adverse reaction abroad. We seem to forget that while it is to our advantage to have foreign allies, they need us much more than we need them.

You may be sure that the policy of Great Britain, France, or any of the other so-called allies is firmly based on the premise as to what is to their own best interests. They are interested in us only to the extent that our interests are mutual or to their own nationalistic advantage. But I am not at all sure that the policy which our State Department pursues is based on the premise as to what is to the best interests of the United States. And this fact may readily account for our failure to win the peace and our costly diplomatic failures. Our

leaders rarely stand firm but instead have repeatedly yielded.

The sole question I ask myself in connection with this bill is: Will it serve the American people? Will it help give them security? Or is there a sounder and better way to reach that objective?

No one is more keenly interested in our national defense than I. As a member of the Committee on Armed Services I have consistently supported to the fullest the various bills for a sound national defense. I have also given my support to the various appropriations for that purpose.

In honest belief that various foreign-aid programs would serve our own interests and materially help our people in the defense of their freedom against the threat of communism, I have given these programs my support. Permit me to remind you that this ECA program or Marshall plan was first adopted by the Republican Eightieth Congress, in which it was my privilege to serve as majority whip. Indeed, it was at the insistence of the Republican Congress, over the objection of the administration, that aid to the Nationalist government of China was included in the bill. I have also given my support to the legislation to aid Greece and Turkey in their fight against the Communists.

In short, I have supported foreign-aid programs to the extent that I believed they would serve the best interests of the American people. And I think they have had a real value in that respect.

But, Mr. Chairman, there are definite limits to what the United States can and should do by way of foreign aid even in our own self-interests. We certainly cannot subsidize the world. It is certainly not in our own best interests to have our own people endure a lower standard of living in order to raise the standard of living of other peoples to our own level. It must be borne in mind that with the help of the Marshall plan the productivity of Western European countries is already substantially above the prewar level. The Marshall plan has served its purpose, and the time has come to bring about its termination.

It seems to me that the extent and nature of the foreign-aid program being advanced by the administration goes well beyond what would best serve our own interests. In fact, it is of such size and character as presented to us by the administration that I am inclined to believe the program to be contrary to our best long-range interests.

As originally proposed by the administration, the bill would authorize a total expenditure of \$8,500,000,000. To the credit of the Foreign Affairs Committee, this was reduced by some \$651,250,000, leaving the amount contained in this bill at \$1,848,750,000. That in itself is a tremendous sum, but it is only part of what is actually proposed.

This bill of almost \$8,000,000,000 is but part of a \$25,000,000,000 program of assistance to foreign nations proposed by the administration, for the next 3 years. This bill inaugurates an entirely new program to be known as the mutual security program. The Marshall plan as

such terminates, and we are proposing to enter upon this mutual-security plan.

I honestly believe that our economy cannot stand this strain. Our people are already overburdened with taxes, with an increase pending, and the prospects of still further increases. They are suffering from the rise in prices due to shortages of materials and extensive Government spending. In order to help the weak, we ourselves must be strong. If we enter upon such extensive programs as this we will be actually destroying ourselves.

I have seen various estimates of the amount of foreign aid already extended by the United States. One estimate is that, in one form or another, we have extended foreign aid to the extent of \$115,000,000,000. This is equivalent to the physical assets of the five great States—Illinois, Indiana, Iowa, Michigan, Wisconsin. I think it can be said that foreign aid is going beyond the realm of reality into the realm of fantasy. But it is bitter reality to the American taxpayers who defray the costs.

And so I believe, Mr. Chairman, that the amount of foreign aid to be extended by this bill can be and should be substantially reduced. It must be recognized that our own defense demands are extraordinary. As I mentioned at the outset, just last week we passed a defense appropriation bill of around \$56,000,000,000. We also authorized a military and naval public-works bill for which appropriations are subsequently to be made in the amount of \$5,700,000,000.

Insofar as I am personally concerned, I intend to vote for the various amendments to be offered which will reduce the amount embodied in this bill. I propose to support only those items and those amounts where it can be clearly shown that our own defense and our own best interests will be advanced. If, at the end of consideration of the bill, I still find it unrealistic and excessive, I will have no alternative but to vote against the bill. I am ever mindful of the all-important fact that our first line of defense is our own fiscal stability.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SMITH of Virginia. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I have but 5 minutes; I cannot yield now but will later if I have time.

Mr. Chairman, I made some remarks on this bill yesterday in which I indicated that I thought there were places where it might well be cut. I think those Members who know me know that I have joined with Members on the minority side, with Members on the majority side, or with anybody else that would help me during this session of Congress to cut down unnecessary expenses. I think in this bill we are confronted in title I, the defense of Europe, with an entirely different proposition. I do not think we can consider the question of economy on the defense of Europe and I want to tell you why. We have the Atlantic Treaty.

We committed ourselves and our country to the defense of Europe. We then followed that by sending General Eisenhower to Europe. We followed that by sending our own divisions and our own troops to Europe, and they are there today. I think it is unfortunate that we should be having this debate today; I think it may raise a little question psychologically in the mind of some of our soldiers, both here and there, when they find the Congress debating the question of whether we are going to cut down what General Eisenhower has told us he needs for the defense of Europe.

We fought two world wars and by fighting them over there we prevented ourselves from having to fight them on our own soil. I do not know much about warfare, but I imagine that we had better fight these battles somewhere else. So that was probably in the mind of the leadership of this country in doing what we are doing here. So I very much hope that the Members will give very serious consideration to the question of our obligation, not only to European countries, but our obligation under the United Nations Treaty, our obligation to General Eisenhower, our obligation to our own divisions now on European soil, before we make any cut in title I of this bill, which is aid to Europe.

Mr. FULTON. Mr. Chairman, will the gentleman yield for a question?

Mr. SMITH of Virginia. No; I do not care to yield; I have only a little bit of time.

Mr. Chairman, there are other items in this bill. It is perhaps unfortunate that in a bill of this kind we have to cover the whole face of the earth and everything in it, and a lot of matters that are more or less unrelated to the main thing in the bill, but it seems to me beyond any question of a shadow of doubt that the main and the vital point in this bill is this title I of whether we are going to lay down on the line all of the moneys needed as we will subsequently have to lay down on the line, God forbid, all the men who are needed to defend the life of this Nation on European soil. When I say what I do say, I say it with the deepest affection and regard for all of my colleagues who entertain doubts on this bill. I know it is a difficult question; I have been troubled with it myself; and I know that every Member, whether he is for or against this proposition, is speaking from the depths of his deepest conviction for the welfare of his country, and that is what I am seeking to do now. I just feel that this question of not denying to Eisenhower as long as we keep him over there and not denying to our own divisions in Europe as long as we keep them over there anything that they may need in the way of arms and ammunition is vital to the defense and the welfare of this Nation and to the peace of the world.

Mr. HERTER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I ask for this time not to slow up anyone else, but a matter has arisen which I think requires clarification before the debate goes further on this bill.

In section 509, page 26, there appears a provision for which I was responsible in committee which would allow the Secretary of Defense to utilize up to 11 percent of the appropriations that he has received in the fiscal years 1950, 1951, and 1952 for military-end items for the purposes of this bill. That provision got into the bill for the reason I felt from the outset that insofar as the military-end items part of this bill is concerned, that was an essential part of our defense and there ought to be one single appropriation for our Defense Department to take care of all of our defense needs from which a portion would be assigned as the Defense Department felt necessary to this European scene. That view was not accepted by the committee. However, section 509 as now written was accepted, together with the money authorization for military-end items.

The 11 percent provided for in this section and the total authorization for military-end items in this bill are almost exactly the same amount when translated into dollars. But at the moment I make a plea for maintaining the authorization intact in this bill.

I think the Appropriations Committee has got a real responsibility when this bill comes to that committee to find out from the military whether they are going to require every dollar of the fifty-two billion that we have already appropriated to them for end items for our own internal defense and for the Korean War or whether from that fifty-two billion they can assign a part, up to 11 percent, for the European theater. If that can be done, then, certainly, the appropriation for these military-end items can be cut down materially. But that is a determination that can be made only by a study of the requirements of the military for domestic purposes as well as for the Korean War. Therefore, I think that determination should be held in abeyance until this bill gets before the Appropriations Committee.

I feel as does the gentleman from Virginia [Mr. SMITH] that we ought to do nothing that would look here as though we were deliberately cutting out military aid to Europe at a time when the entire morale of the people of Europe is largely dependent on whether they feel we are going to stand by them or not. However, we should not spend an unnecessary dollar in doing that. If the Appropriations Committee finds there is enough money in existing appropriations, then new appropriations for end items can be very materially cut down. But let us make certain before we cut down.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from New York.

Mr. COUDERT. I wonder if the gentleman realizes what he is putting up to the Appropriations Committee. Has he forgotten that every single dollar of that \$56,000,000,000 heretofore appropriated has already been screened and approved by the Appropriations Committee? Now, he says, go back to the Appropriations Committee and ask them to consider it all over again.

Mr. HERTER. Yes; I mean exactly that. A statement was made by the gentleman from Virginia [Mr. GARY] in which he told this House that he as chairman of that subcommittee would do that very thing. Am I not correct in that understanding?

Mr. GARY. We will do that. But I want to call the gentleman's attention to the fact that the bill which was passed here recently, the military defense bill, did not include any sums for Korea or for the war in Korea. If that war continues, it is estimated that \$5,000,000,000 additional will have to be reported to carry on the war in Korea. I want to keep the Record straight on that.

Mr. HERTER. That may very well be true. I want to point out to the gentleman that in the bill which passed the House, of the \$56,000,000,000 appropriated \$28,000,000,000 were for end items, identically similar to those which will be furnished to Europe under the \$5,700,000,000 that is to be authorized for end items under this bill.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that the time be limited on this title to 1½ hours from the present time.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. JUDD. Mr. Chairman, reserving the right to object, I hope the gentleman will make his request only on the amendments before us now and dispose of the military side of it, and then come in and debate on its own merits the economic side.

Mr. RICHARDS. Mr. Chairman, I will revise my request and ask unanimous consent that the time on the two amendments before us be limited to 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. DONDERO. Mr. Chairman, reserving the right to object, may I suggest to the distinguished chairman that he let this debate continue for a reasonable time, considering the number of Members who have arisen and who have not had 1 minute to speak on this floor.

Mr. RICHARDS. I withdraw my request, Mr. Chairman.

Mr. JONAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been in a quandary for a considerable length of time as to what I ought to do about supporting this bill in its original form. I have finally come to the conclusion that I cannot support this bill in its original form and probably not support it even if it is amended. I realize that when I make this decision that I am probably placing whatever is left of my political ambitions somewhat in jeopardy. There is a large segment of voting population in my district who are fine, outstanding, loyal, and patriotic Americans, who have a vital interest in certain parts of this bill, and I am frank to admit that I do not cherish my inability to be of spe-

cific help to them. But I do not like package bills. This is another one of those bills that has confronted me here during my limited tenure in the House which does not give me what I call freedom of expression. I am compelled to take the bad with the good, or if I do not do that, I have to discard the good or not participate in the activities of this legislation whatsoever, and this is exactly what I am confronted with again today as I have been on numerous occasions in the past.

Mr. CHAIRMAN, I am in favor of making some of these drastic cuts. I think it is very necessary for the preservation of our economic stability and for our future welfare. I would like to call attention to a number of statements made on this floor, all of which were implemented with the idea of hurry, hurry, hurry; get this legislation over with; get it passed; get money over there and get troops over there; get arms over on the other side; the people are waiting and they are crying and screaming and impatient, and they want the American people to hurry, which means, so far as my congressional district is concerned, consisting of 360,000 people, that I have to go to them and say, "Dig down in your pocketbooks; get out your tax money; jack up the taxes; increase appropriations in order that you might hurry and hurry and hurry to satisfy the demands and the cries and the screams over there." Well, I have not heard anything like that, the need for this special hurry from over there.

By way of contrast, I just want to point this out. It was not so very long ago when on the Korean battlefields a brave American army was in dire stress and in danger, not because of lack of any inherent patriotism and loyalty of our troops, but because of lack of manpower and lack of proper equipment.

I should like to have any Member on this floor get up today in this cry for "Hurray, do not wait," and name me one single member of a legislative body in Europe who then or now has risen on the floor in his parliamentary body and cried "Hurry, get on with it and vote some money, get our troops out in the field to help the American Army in Korea because they are in dire trouble and desperately need our help and support." I have yet to hear a word today from any member anywhere, or read about it, where presently the members of any parliamentary body are crying for and saying, "Let us hurry, let us get some troops and arms over into Korea and get this over with." That is why we furnish 80 percent of the manpower and 83 percent of the cost of the equipment and war material and everything else in Korea, and our supposed allies carry the 20 percent and the 17 percent load and not more.

May I say in conclusion that I have a great deal of respect for some of the ladies and gentlemen who have spoken on the floor of this House today. The chairman of the House Committee on Armed Services is a learned man with a record of great experience. It is evident by the talks he made that he knows his subject and knows it exceptionally well.

He led me to believe in his talk here the other day, Mr. Chairman, that one of the underlying causes for supporting this legislation and voting billions was intended to pave the way for inculcating in the hearts and spirit and minds of the people of Europe some of the philosophies that prevail in connection with the operation of our Government here in the United States so we could grapple the people in Europe not now behind the iron curtain to our philosophies with hoops of steel. What is the answer? Name me one country in Europe anywhere among those in the Atlantic Pact that has adopted our philosophies. On the contrary, we had better be careful that we do not absorb their philosophies over here and turn into a socialistic country.

[Mr. RANKIN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion. The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I am not offering this motion merely for purposes of delay. Like the gentleman from Mississippi [Mr. RANKIN], I propose to vote against the bill, no matter what you do to it. Experience has demonstrated that the program is a failure—a waste of money, of the lives of our men, and the hearings in the other body show that its chief advocate now seriously doubts its soundness; yes, practically admits it has been and will continue to be a failure.

Mr. CURTIS of Missouri. Will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield. Mr. CURTIS of Missouri. I wonder if in your remarks you would not discuss the preamble of this bill: "to maintain the security and to promote the foreign policy and to provide for the general welfare of the United States."

Mr. HOFFMAN of Michigan. Mr. Chairman, rather than express my own opinion about it, because it might be said that I am a little biased or prejudiced against continuing to weaken ourselves by giving to people. Permit me to give you the views of a gentleman who has been on the other side of this issue, the gentleman from Texas, the chairman of the committee which has been handling the foreign policy which has gotten us into the situation we are now in. I will quote from the hearings:

The CHAIRMAN. Now, we have been told that this bill and this plan was to cut ECA off in Europe largely, and to divert the funds that have heretofore been allotted to ECA to the military and the arming of Western Europe. That is what we have been told.

You come up here for hundreds of millions for southeast Asia. What does that have to do with work in Europe of an economic nature, or rearming Western Europe?

Mr. FOSTER. It has this to do with it, Mr. Chairman. We have out in that area, as I

said earlier, numerically the greatest number of free peoples yet—

The CHAIRMAN. They are not free if they are in the shape you are talking about. We have to go out there and furnish them the money to do all these things for them. How are they free?

Mr. FOSTER. They are free in terms of having their own governments; they are free in terms of having the ability to make their own decisions; they are free in terms of the possibility of hope for the future and they are free in terms of being able to enter into international trade and to provide us with a great many of the things which we need to do this job in Europe to which you refer.

The CHAIRMAN. I think the shoemaker should stick to his last. You were appointed to take care of ECA over in Europe, get out of the business over in Europe and to divert the funds you have been receiving for ECA to the military rearming of Western Europe and here you are putting the main emphasis on going out to southeast Asia and chasing a problem out there instead of sticking to Western Europe. Western Europe is our danger if we are going to be invaded or are going to be attacked. It will be through Western Europe if we are attacked. I do not agree with your philosophy at all.

Mr. FOSTER. Mr. Chairman, if I may, I would like to make one correction. I do not think we are putting the main emphasis on South and southeast Asia. I think it is an important point.

The CHAIRMAN. You have in your testimony here made more noise about that than anything else you have said.

Mr. FOSTER. Perhaps more noise, sir, but I doubt if there was more emphasis. I felt it was important for this committee to understand that there is a substantial interest for the security of the United States in helping south and southeast Asia and the Middle East and the Near East.

I hope that answers the question of the gentleman from Missouri [Mr. CURTIS]. They came before the committee over there with one idea, and that was we were to help Western Europe, and in the bill they have hundreds of millions of dollars, according to the chairman, to go down into southeast Asia. So, apparently, it is just an attempt by a fraudulent representation not to get money for the announced purpose, but to get millions for the purpose of doing what they want to do. Permit another quotation which shows how they use the money:

The CHAIRMAN. Helping everybody. You say it is world-wide. You have to help everybody. The United States cannot preserve its own freedom; it cannot preserve its own productivity if, according to you, we have to take care of the whole world. That is what you said earlier.

Mr. FOSTER. I say, sir, that the free world is important to our own security and I think, therefore, it is in our interest to contribute to maintaining the whole free world.

The CHAIRMAN. You think that is our business, to maintain the whole free world?

Mr. FOSTER. I believe so.

The CHAIRMAN. Where are you going to get the revenue and the money and the taxes to do that? The fellows who spend all your time spending money for the Government do not ever think about how we have to struggle here in Congress to get the money. Right down the hall now the Finance Committee is in session struggling with a tremendous tax bill. You want to take that money that is squeezed out of our people and take it over across on the other side of the world to build

up and take care of those little wobbling countries. Is that your philosophy?

Mr. FOSTER. It is not anything I want to do. These things are forced on the United States by a situation created by others.

The CHAIRMAN. You are not the whole United States.

Mr. FOSTER. That is perfectly correct, sir.

The CHAIRMAN. You act like it. You talk like you are the whole United States.

Mr. FOSTER. I have no such illusions. I have a job which I am attempting to do, to contribute, as I see it, to improving the security of the United States.

The CHAIRMAN. You are going to do it as you see it. How about as Congress sees it?

And with that statement about it, I hope you will let me agree.

The Marshall plan, the ECA, is a ruinous world-wide policy. Permit another quotation showing that the United States cannot preserve its own freedom, productivity, while operating a world-wide ECA:

The CHAIRMAN. Helping everybody. You say it is world-wide. You have to help everybody. The United States cannot preserve its own freedom; it cannot preserve its own productivity if, according to you, we have to take care of the whole world. That is what you said earlier.

Mr. FOSTER. I say, sir, that the free world is important to our own security and I think, therefore, it is in our interest to contribute to maintaining the whole free world.

The CHAIRMAN. You think that is our business, to maintain the whole free world?

Mr. FOSTER. I believe so.

That, may I suggest, is the Henry Wallace idea.

I say to our colleagues who are on this committee, do you think you are going to for one moment take care of the whole world? That is the purpose of Mr. Foster.

Then the chairman asked where would we get the money? Again I quote:

The CHAIRMAN. Where are you going to get the revenue and the money and the taxes to do that? The fellows who spend all their time spending money for the Government do not ever think about how we have to struggle here in Congress to get the money. Right down the hall now the Finance Committee is in session struggling with a tremendous tax bill. You want to take that money that is squeezed out of our people and take it over across on the other side of the world to build up and take care of those little wobbling countries. Is that your philosophy?

Mr. FOSTER. It is not anything I want to do. These things are forced on the United States by a situation created by others.

I suggest that you read the testimony, read the questions and answers and assertions of the chairman of that committee. If there ever was an advocate of this foreign policy, it was the gentleman who presided over the committee hearings of the other body. In effect, if not in words, he said, "You are not going to rearm Europe. You are not trying to defend Europe, you intend to follow part of the Wallace program of doing good throughout the world."

This request for funds is a fraud perpetrated on us when they ask for money to rearm in Europe, then use it for other purposes in other lands.

Let me repeat, those are not my words. They are the words of the chairman of the committee which handled this bill in the other body. Now, unless you are to

assume that his change of mind is not based on our experience, is not because he sees the futility and the danger of this program, but because he has his eye on an election in 1952, why do you not think a little, I say to our Committee on Foreign Affairs? Why do not you think that maybe there is a possibility that you who started this thing may be mistaken? But no, you will not do that. You just close your minds and you go right on; more and more dollars; more bankruptcy; more young men being killed abroad.

The gentleman from Massachusetts [Mr. KENNEDY]—I am sure he is a man of more than average ability and integrity, and I am sure he will serve in this body and in the other body for many years to come with profit to the country and honor to himself.

Among other things, the gentleman said that General Eisenhower's difficulty and that of others was in forcing, and he may in his revision, change that to influencing the people there to rearm.

If they do not want a war, do not, will not rearm without being forced to do so, can a war in their country be won without their support?

The situation seems to be somewhat similar to that of the manager of a prize fighter who must force his man to put on the gloves and stay in the ring. Apparently we are trying to force the people of Western Germany to rearm and fight a war they do not want.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

[Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.]

The CHAIRMAN. The gentleman from New York, a member of the committee, is recognized.

Mr. NICHOLSON. Mr. Chairman, a parliamentary inquiry. Is it possible to talk against this motion which the gentleman from Michigan has just offered?

The CHAIRMAN. Only for 5 minutes, and the Chair has recognized the gentleman from New York [Mr. JAVITS].

[Mr. JAVITS addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from New York has expired.

The question is on the preferential motion.

The motion was rejected.

Mr. DONDERO. Mr. Chairman, I move to strike out the number of words to be recognized for 5 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. DONDERO. Mr. Chairman, I have not taken any time on this bill so far because I could not get any time. But as we listen to the colossal sums that we have already voted in the name of national defense and peace of the world, well might the Members of the House of Representatives reflect and say to themselves: "I wonder if I am becoming one of the instruments for the destruction of my own country?" The amounts are so large that the average citizen of the

United States does not pay any attention to them any more because he cannot understand what they mean. I do not believe the United States can take the whole world on its lap, and nurse it forever without destroying itself.

Yesterday the Public Works Committee was in session; we were called together to consider about a dozen bills for the erection of post offices, courthouses, and the purchase of sites for post offices. One of our Members made a most convincing appeal to the committee for the necessity, almost the tragic necessity, for the building of a courthouse and post office in one of the cities of his district. It was suggested to him by one of the other members that if his congressional district were somewhere in Europe, no doubt his plea would be given attention and the money provided to build what he needed.

For 10 mortal weeks, and I use the word "mortal," during this session of Congress in the early part of the spring that same committee was considering the St. Lawrence seaway, and over and over again witnesses appeared before the committee and said: "We just cannot afford to do this; it costs too much," even though the top-flight officials of our Government, charged with the defense of our country, came before our committee testifying that that project was necessary and essential for the defense of our country. How much would it cost? \$566,000,000, said the Chief of the Corps of Army Engineers, General Pick. But it was denied. The project has been laid aside. It will not be heard again for months, perhaps not until next year, perhaps not until the next Congress. Yet in this bill before us this afternoon, if it passes, and I assume it will pass, we are going to send 12 St. Lawrence seaways to Europe, all in the name of national defense.

I think we are doing what Russia wants us to do. We are all for the defense of our country and the saving of it. The question that you might well ask in your mind today is this: Is the United States Government as a world leader more able to preserve peace in this world and prevent war as a solvent nation or is it more able to do so as a bankrupt nation? A bankrupt business does not long continue; it just vanishes from the face of the earth. A bankrupt government, like ours will be if we continue the road we are traveling on now, will also cease to function and we will vanish as a republic from the face of the earth. I say, we are doing, I think, what Russia intends we should do, and that is bleed ourselves white until we are so weak we will no longer be a world leader, and thus make it easier for communism to spread her wet and bloody blanket over the face of the earth. If we remain solvent and strong we can serve the purpose of peace better, in my judgment, than if we go bankrupt.

Of course, I, like many of you, voted for the \$56,000,000,000 bill the other day. What do the people back home think of the course we are pursuing? I was home at the end of last week and talked to some of the citizens of my district. They cannot understand

the action of their Congress here in Washington. They do not believe that their country—our country, yours and mine—is able to stand the strain that has been put upon it by the voting of these colossal sums which only means, of course, in the days ahead more and heavier taxes, although every citizen now knows he is working one-third of the year just to pay for the cost of Government. Four months out of every year he is the slave of Government.

I have listened to a number of people who have been around this world since the last election and without exception, even though we have poured billions of dollars around the world in an effort to prevent war and keep peace, they have come back here and said that you would be surprised at the amount of unfriendliness and resentment held by other nations of the world toward us. They think we are imperialistic. Even some of the nations receiving aid from us are unfriendly.

I shall vote to reduce the amount in this bill by supporting the amendments offered by the gentleman from Wisconsin [Mr. SMITH] and the gentleman from Pennsylvania [Mr. FULTON]. It is disheartening to learn that next year and the year after bills for a similar amount—about \$8,000,000,000—are to be presented for further aid to Europe. What a bleak prospect for the American taxpayer.

(Mr. DONDERO asked and was given permission to revise and extend his remarks.)

Mr. NICHOLSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am in the same position as the gentleman from North Dakota, the gentleman from Michigan and the gentleman from Mississippi. I am not going to vote for this bill either, and I am not going to vote for it, Mr. Chairman, because about 5 years ago we established an International Bank that gave every country in Europe an opportunity to go there and get money. They have the right to use \$8,000,000,000. After 5 years the countries have borrowed a billion dollars. If they cannot afford to take care of themselves after 5 years, with the assertions from everybody I have seen that their economy is apparently from 50 percent to 150 percent greater now than 5 years ago, then there is not any necessity for any more economic aid when they can go and borrow all the money they want to provided they are a good security and a good risk. We realize now, Mr. Chairman, what treatment we got after the First World War. I think we wrote off about \$11,000,000,000 or \$12,000,000,000 that we gave those countries after we were dragged into war.

Mr. Chairman, I have the utmost respect for the gentleman from Virginia [Mr. SMITH]. I admire him sincerely. I admired him a long time before I came to this Congress, but I do not believe that the people of this country realize that if any nation, a member of the Atlantic Pact, starts a war with somebody else, that we have got to go in and finish it. If that is the case, Mr. Chairman, the first thing we ought to do here is to

get out of the United Nations pact and paddle our own canoe.

Now, Mr. Chairman, there never was a country in history that started to take care of everybody else and give everybody else advice and move in and take over their resources that did not wind up as a fourth-rate power; not one of them, and as soon, Mr. Chairman, as we start meddling and trying to fix up everybody else's business, every other country's business, then we are bound to go where the rest of the countries went. It can happen to us. We can wake up some morning if we keep on going the way we are and find that a dollar bill will not be worth any more than a franc or a mark or a lira or any other of the moneys of central Europe. It is kind of a tough thing to look forward to see a country like this spend itself into bankruptcy for nothing. Who sent General Eisenhower to Europe to raise armies there? Well, will somebody get up and tell me who sent him? Take these propagandists in the Pentagon—because that is about all they do is to spread propaganda—was it they who sent him? Well, it seems to me Eisenhower has had a pretty difficult job raising legions over in England and France and central Europe, and every one of these propagandists will tell you that if Russia would start moving tomorrow, that they could go to the English Channel in 2 weeks. What is going to happen then to the 200,000 men that we have stationed in Europe? Does that mean that they will have to go to the salt mines? They realize that 200,000 men is nothing compared to the power of Russia if they were going to attack us, which they are not.

Well, some of us are getting a little bit tired of owing \$250,000,000,000, twice as much as all Europe owes, and then for us to go and give them some more. Certainly I am going to vote to cut out the economic aid; all of it. I voted for \$56,000,000,000 to take care of this country and I would for \$156,000,000,000 to take care of this country, but not another cent for people who do not want to take care of themselves.

Mr. BENDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, some years ago on the floor of this House Cliff Woodrum, who was chairman of the subcommittee of the Committee on Appropriations, asked us to vote money to erect the Pentagon Building. My vote was one of two votes cast against that project. Mr. Woodrum made the representation that it would take \$18,000,000 to build that structure. Actually the building cost \$83,000,000. Other money was used to complete the construction of this white elephant. So, when we vote money here you can bet your bottom dollar that as long as this administration is in power the way will be found to switch money from one pocket to the other.

It has been represented that part of the \$56,000,000,000 appropriated last week will go toward this effort. Now we are asked to authorize the spending of \$7,840,000,000.

Knowing that many countries are looking upon us with envy, and realizing that many people throughout the world

are aiming to milk America dry, I still wonder what would happen in the event that we withdrew from this European mess. I am wondering what would happen if we would give the Communists the green light. I do not feel any responsibility for what happened at Yalta, Potsdam, and Tehran. Our American soldiers on the battlefields distinguished themselves in fighting for freedom, and won the war but our politicians in making deals with these Russian fakers, in recognizing them, in dealing with them and turning over territory to them, not only our ships and our equipment and our dollars but turning other countries over to them, for them to run riot in, have gotten us into this trouble. Now we are stuck, and I am wondering what would happen in Europe and in Asia if we would do exactly as we did in Korea. We gave the Communists the green light in Korea. Our Government officially, through our President and our Secretary of State, said we would have no interest in what would happen in Korea. We washed our hands of Chiang Kai-shek. What happened? Why, we have lost over 50,000 of our boys. I am sure when the story is told we will find that such is the case. We have had over 160,000 casualties.

If we withdraw at this time from this program, you can depend on it that we would be in a war overnight, and not in a police action either. So I say, even though I am apprehensive about these figures, I cannot vote against it. I think the Congress is derelict in its duty, however, when it does not comply with its own rules. We have a Committee on Expenditures in the Executive Departments that is charged with the responsibility of watching these expenditures. We actually have only 27 persons on our staff to watch these expenditures. The full committee has a staff of 10, including stenographers. One subcommittee has 2, another has 1, another has 10, another has 1. We provided only \$210,000 for that committee to watch the expenditures of government. They are charged with the responsibility of watching these expenditures. Here it is in the RECORD here for all of you to read.

What kind of Congress is this, that appropriates billions of dollars and then fails to follow through and provide the tools for these committees to work with so that taxpayers' funds are not wasted or stolen? Possibly Congress is not informed as to the powers it bestowed on one of its committees. Here you have it:

THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS—ITS POWERS UNDER THE STATUTE AND THE REORGANIZATION ACT

This committee was established December 5, 1927, and took the place of 11 separate committees on expenditures in the several executive departments. The first of these committees was established in 1816, and others were added as new departments were created. They reported bills relating to the efficiency and integrity of the public service, and creation and abolition of offices. The jurisdiction is now defined in the rule made effective January 2, 1947, as a part of the Legislative Reorganization Act of 1946. Clause 3, giving the committee the power of subpoena, was adopted February 10, 1947.

On March 17, 1928, the rule was amended to include: "Independent establishments

and commissions of the Government and the manner of keeping the same; the economy, justness, and correctness of such expenditures; their conformity with appropriation laws; the proper application of public moneys; the security of the Government against unjust and extravagant demands; retrenchment; the enforcement of the payment of moneys due to the United States; the economy and accountability of public officers; the abolishment of useless offices, shall all be subjects within the jurisdiction of the Committee on Expenditures in the Executive Departments." (Rule 11, subsec. 34.)

Section 105-A of title V of the United States Code, adopted May 29, 1928, reads as follows:

"Every executive department and independent establishment of the Government shall, upon request of the Committee on Expenditures in the Executive Departments of the House of Representatives, or of any seven members thereof, or upon request of the Committee on Expenditures in the Executive Departments of the Senate, or any five members thereof, furnish any information requested of it relating to any matter within the jurisdiction of said committee."

Section 101 of the Reorganization Act (Public Law 601, 79th Cong.), page 3, reads:

"The following sections of this title are enacted by the Congress:

"(a) As an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply; and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(b) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House."

Section 121 (a) of the Reorganization Act, page 12, provides: "For a Committee on Expenditures in the Executive Departments, to consist of 25 members."

The applicable words of rule XI, section 121 of the Reorganization Act are:

"All proposed legislation, messages, petitions, memorials, and other matters relating to the subjects listed under the standing committees named below shall be referred to such committees, respectively: *Provided*, That unless otherwise provided herein, any matter within the jurisdiction of a standing committee prior to January 2, 1947, shall remain subject to the jurisdiction of that committee or of the consolidated committee succeeding generally to the jurisdiction of that committee."

Subsequent pertinent provisions of rule XI, page 15 of the act are as follows:

"(h) (1) Committee on Expenditures in the Executive Departments.

"(A) Budget and accounting measures, other than appropriations.

"(B) Reorganizations in the executive branch of the Government.

(2) Such committee shall have the duty of—

"(A) Receiving and examining reports of the Comptroller General of the United States and of submitting such recommendations to the House as it deems necessary or desirable in connection with the subject matter of such reports;

"(B) Studying the operation of Government activities at all levels with a view to determining its economy and efficiency;

"(C) Evaluating the effects of laws enacted to reorganize the legislative and executive branches of the Government;

"(D) Studying intergovernmental relationships between the United States and the States and municipalities, and between the United States and international organizations of which the United States is a member."

"(3) For the purpose of performing such duties the committee, or any subcommittee thereof when authorized by the committee, is authorized to sit, hold hearings, and act at such times and places within the United States, whether or not the House is in session, is in recess, or has adjourned, to employ such experts, special counsel, and such clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such papers, documents, and books, and to take such testimony, to have such printing and binding done, and to make such expenditures within the amount authorized or appropriated as it deems necessary. Subpoenas may be issued under the signature of the chairman of the committee, or of any subcommittee, or by any member designated by any such chairman, and may be served by any person designated by any such chairman or member."

Precedents bearing upon previous activities of Committee on Expenditures in the Executive Departments will be found in Canners Precedents, sections 2041-2042.

Mr. MARTIN of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. VORYS. Mr. Chairman, I bespeak the attention of the Committee at this time. The gentleman from Iowa, [Mr. MARTIN] who is about to address the committee, is an expert on the subject which he is about to discuss.

Mr. MARTIN of Iowa. I thank the gentleman.

Mr. Chairman, as a member of the committee of conference between the House and the Senate on the original stock-pile legislation of our Nation in 1939, I think I should examine this program especially as to its bearing on the acquisition of our stock piles of strategic and critical materials.

When Great Britain owed us heavily in 1935, Cordell Hull relates that he could not get tin from them when they controlled that tin, and it was not until 1939, just at the outbreak of World War II that they were willing to trade tin and rubber for what we could give them further in the way of cotton, and so on. Sir Ronald Lindsey's statements at that time as quoted in Cordell Hull's Memoirs are rather revealing.

As I watched the development of the Marshall plan, I listened carefully to the President's statement on it before Congress and I read the pronouncements of the Department of State building up to that plan. I have reread those statements and I have reread the reports of the House Select Committee on Foreign Aid and of the Harriman Commission.

Just prior to World War II the British Empire, U. S. S. R., and the United States were responsible for more than two-thirds of the world's total mineral output. Russia, of course, is now out of the picture as a source of strategic and critical materials for us today. The British Empire stands in quite different relationship to us but the memoirs of Cordell Hull, chapter 10, presented graphically the story of our inability to secure strategic and critical materials from the British to apply on Britain's indebtedness to this Government. In 1935, British Ambassador Sir Ronald Lindsey pre-

sented to his Government Cordell Hull's request for tin which was under the control of British capital. The answer from London was a complete refusal and it was not until 4 years later and just 3 months before the outbreak of the European war that we were able to negotiate an agreement with Britain whereby through exchanging cotton for rubber and tin we began to create reserves of strategic materials.

I will not attempt to review here our own inadequate approach to our stockpiling problems in the years from 1937 to 1939, nor our extending power to the Reconstruction Finance Corporation in 1940 to take over the large-scale handling of strategic materials needed so desperately in our war program. At the end of the war our stockpile legislation was revised as Public Law 520 of the Seventy-ninth Congress. In that act we set up what we intended to be a 5-year program starting in 1946. We intended to create a stockpile of approximately \$3,300,000,000 value at prices then current and Congress intended to have a sizable portion of that stockpile transferred to the Munitions Board by other Government agencies including Reconstruction Finance Corporation.

I found in January 1948 that the Reconstruction Finance Corporation had disposed of more than \$11,000,000,000 of strategic and critical materials and that only \$410,000,000 of that supply had been channeled to our national-defense stockpile and the total transfer of materials from all Government agencies up to the year 1950 amounted to \$451,000,000. By that time also it had become apparent that the acquisition of our stockpile through purchases was moving at a snail's pace. Consequently many of us were desperate in the search for ways to build up our stockpile of strategic and critical materials from any available source just at the time the Marshall plan was before Congress in 1947 and 1948.

I noted with great interest the treatment of strategic materials by the House Select Committee on Foreign Aid in 1947 and by the Harriman commission in its report of November 7, 1947. I observed also with great interest the President's reference to our possible acquisition of needed materials in his statement to Congress December 18, 1947, and the discussion of the State Department of the possibility of our securing strategic and critical materials through the Marshall plan in their treatises of December 19, 1947. These statements were followed by committee action in the development of the Foreign Aid Act of 1948, Public Law 472 of the Eightieth Congress, which was approved by the President, April 3, 1948.

In one of the committee reports reference is made to the fact that lend-lease and the Second World War cut deeply into available stocks of natural resources and created the necessity of increased imports of strategic materials. Sections 111 (c), 115 (b) (5), 115 (b) (9) and 117 (a) of the Foreign Assistance Act of 1948 treated specifically with the matter of including and encouraging the acquisition of strategic and critical materials with ECA funds. Quite naturally I have followed the progress made under the Foreign Assistance Act of 1948

¹ H. Res. 60 agreed to January 12, 1951, increased membership to consist of 27 members.

with great interest. Because of the state of our relations with Russia and because of Britain's tremendous need for her own supplies of strategic and critical materials, I was not too optimistic of the results to be expected from ECA's venture into this particular field.

In appendix A of the report of the President's Committee on Foreign Aid, dated November 7, 1947, the estimated annual value of additional strategic material production of Marshall-plan countries available for the United States stockpile was reported as \$223,201,000, and this statement was made with comparatively small increases in production, which in most cases would require reaching but not exceeding wartime peak outputs, strategic mineral raw materials valued at approximately \$2,231,000,000 annually could be made available.

It is very hazardous for ECA to assume, however, that they have taken into consideration all factors in predicting returns of strategic materials to our Government in exchange for ECA help. The twelfth report of ECA to Congress for the quarter ended March 31, 1951, at page 11 shows the expanding economic base of Western Europe. In the 12 countries, Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Sweden, and the United Kingdom, the index of industrial production based on 1938, averaged 139 percent during the first quarter of 1951. The percentage for the United Kingdom was 156 percent.

In the financial papers of August 10 there appeared a very interesting news item announcing that ECA intends lending funds directly to British, Belgian, Italian, and other private European manufacturers for plant expansion and modernization under a so-called productivity plan the details of which have not yet been fully worked out.

With production in Europe up to 139 percent and with an enlarged productivity plan in the offing, it is a bit out of line to assume that these same European nations will turn over to America's stockpile the very strategic materials that are short in their own area. Furthermore, the daily papers of Washington within the past 48 hours have brought us news that Sir Hartley Shawcross, president of the Government's Board of Trade in England, stated on August 15 in a major policy speech that Britain cannot abandon trade with East Europe without seriously endangering its own economy. His speech was regarded as Britain's reply to the United States "battle" bill. Shawcross is reported as stating, "To deprive each part of Europe of the resources of the other will not put an end to communism." Shawcross is reported further as saying that while Britain has in fact banned some items regarded as of military or strategic importance from shipment to the Communist bloc in Europe, Britain could not go along with the "strategic" value of some other items such as rubber and wool. These news reports add that the United States Government has expressed concern over Russia's build-up of a sizable trade balance with Britain amounting to nearly \$50,000,000 in the first half of this year, and that of

Russia's total purchase in the British-lead sterling area, three-quarters has been made up of wool and rubber. Other materials sold to Russia included tin. Britain, however, is reported to ration the supply of rubber sold to Russia according to what is considered her normal civilian needs. In these news reports Britain is listed as doing business with Poland, Czechoslovakia, Hungary, and China, as well as Russia. Britain's excuse for such sale and delivery of strategic materials to Russia is her need for food and fiber supplied her by Russia. From the European Continent Britain gets badly needed bacon, eggs, and sugar, and from China she gets hog bristles, preserved eggs, tung oil, and other products. This trade policy of Britain is in considerable contrast with any program for building the defensive strength of the Western Powers.

I will turn now to the discussion of the part ECA has taken to date in the matter of strategic and critical materials. ECA has purchased up to July 1, 1951, with the 5-percent counterpart funds, from all Marshall plan countries, approximately only \$70,000,000 worth of strategic materials for our stockpile. About \$56,000,000 in value of such materials have been delivered to the stockpile to date. ECA has executed exploration and development contracts in the amount of about \$60,000,000 and repayment deliveries of strategic and critical materials have been made to us to date in the sum of \$245,000.

It will take considerable time for the investment in projects abroad to produce any appreciable increase in the amount of strategic materials we can expect from the ECA program. Several serious limiting factors must be faced. There is a paucity of good mines within the area covered by ECA, ocean transportation is a problem, the shortage of trained personnel in our own forces, together with unstable monetary conditions in ECA countries and necessarily the complex commercial negotiations with foreign cartels, and the great need for the very materials in the countries that control their production abroad, all lead me to predict we will not be able to use ECA extensively in building our stockpiles within the time they should be built.

In my opinion, it is illogical for Congress to expend large sums to promote an increase in the production of strategic materials abroad through exploration and development when Congress has declined to grant subsidies for the encouragement and promotion of exploration and development within our own country.

The meager addition of strategic and critical materials to our stockpile from ECA together with prospective further need for strategic materials in Western Europe lead me to the conclusion that the estimates made by the President's Committee on Foreign Aid in 1947 do not give us grounds for supporting ECA as a means for building the self-sufficiency of America and yet that is exactly what the proponents of ECA attempted to do when they embraced our stockpile program as one of their appeals for support of ECA.

There is a further factor that may more than offset the net balance of strategic and critical materials added by ECA to our stockpile. I refer to information given in the report to the President by the Director of Defense Mobilization dated April 1, 1951, at page 36, where the statement is made, "Despite the heavy demands of our own armed services, we have supplied, under the mutual defense assistance program, more than 1,000,000 measurement tons of military equipment to friendly nations since shipments began in March 1950. This figure is exclusive of aircraft and naval vessels delivered under their own power."

Revisions and additions to our stockpile program have increased the size of the planned cost of our stockpile program to \$3,300,000,000. At the rate of acquisition of these materials through ECA during the past 2 years and a half it would require 369 years for us to acquire our entire stockpile from that source.

From April 1948 to March 1951 we allotted to participating countries \$11,221,000,000 in Marshall-plan aid, and this program has produced \$56,245,000 of strategic and critical materials now in our stockpile. In other words, we have spent \$200 in Marshall-plan aid for each dollar we have received in strategic and critical materials to date. At that rate, if we should plan to acquire our entire stockpile of strategic and critical materials through ECA, it would necessitate our spending in Marshall-plan assistance to the world the sum of \$1,660,000,000,000. My conclusion is that we should not try to justify ECA expenditures on the ground that this program as now administered will give us our stockpile of strategic and critical materials.

One billion dollars of ECA funds is now available for loans, and 20 percent of ECA grants under the present bill is earmarked and required to be used for loans to the participating countries. This provision in the bill under consideration will add \$300,000,000 to the billion now available for such loans, and all of these loans can be paid back in strategic and critical materials by participating countries. These countries cannot pay back quickly, but the loan provisions and the exploration and development provisions could be greatly expanded to increase our return in strategic and critical materials and tremendously change the ratio I have discussed above. The machinery is here in this bill. It was placed there at the insistence of the gentleman from Ohio [Mr. Voorhis], but the Truman administration has not indicated any determination to urge repayment by the participating countries in strategic and critical materials so that America's return in such materials for ECA dollars spent and loaned to the participating countries might come closer to the glowing predictions made by the Harriman Commission in 1947 and by the President's statement of December 18, 1947, and the discussion of the State Department on this subject in their treatises of December 19, 1947.

Without identifying individual items I believe it will be of interest to Con-

gress that in 1950, 42 of the 69 materials then listed as strategic and critical by the Munitions Board were not produced at all in the United States. Only 8 of those 69 materials were produced to the extent of half of our peacetime needs; 21 of the materials could be obtained from other countries of the Southeastern Hemisphere, but at least 13 of them are not obtainable in any quantity in the Western Hemisphere.

I have examined the latest report of ECA on their purchases and projects through June 30, 1951, and one of my criticisms of their activities in the field of strategic and critical materials is that too much of their dealing has been with materials that are most competitive with American production and not enough with the most strategic items.

Figures compiled by the United States Bureau of Mines show that between 1935 and 1950 the number of mines producing gold, silver, copper, lead, and zinc in our western mining States reduced from 11,033 to 2,308. I am told by very competent mining experts that many of our most important strategic metals such as tungsten, manganese, antimony, mercury, chromium, and vanadium, and many others occur in appreciable quantities within the continental United States although they are somewhat lower grade than the richer deposits abroad. It is true as stated in preliminary report No. 10 of the House Select Committee on Foreign Aid in their report to Congress on November 25, 1947, that "with the exception of aluminum and molybdenum, the United States is currently an importer of every major nonferrous metal." But it is my hope that America will wake up to the serious need for encouragement of our own domestic mining industry through extending help to every reasonable extent for exploration prospecting and development of our own mine resources. The health of the mining industry of America is of greater importance to America's welfare both in war and in peace than any other single factor. We recognized in paragraph 1 of the Stockpile Act, Public Law 520, of the Seventy-ninth Congress, that the health of the mining industry of America was of greater importance than the stockpile but that both the mining industry and the stockpile were essential insurance policies in this war-torn world. I only wish it were possible for us to bring to the American mining industry the help and the attention that it must be given if we are to maintain our place both in war and in peace in the family of nations.

The acquisition of strategic and critical materials by ECA is entirely inadequate and as now administered will remain so. Such acquisition should be under the control and direction of experts who understand the mining industry and who are fully informed of the entire American metals problem. President Truman on August 1 announced that all dealings in strategic and critical materials, both foreign and domestic, would be transferred to the jurisdiction of the newly created Defense Materials Procurement Agency. It is my hope that this transfer will achieve greater defense security for our Nation.

ECA has made maximum use of its part in the acquisition of strategic and critical materials as a selling point to Congress for the perpetuation of ECA and its spending of vast sums of American tax dollars throughout the world. Far greater returns for less money can be had through a program in which our main objective is the direct acquisition of strategic and critical materials and greater defense security rather than American-financed industrial world conquest.

(Mr. ARENDS asked and was given permission to revise and extend his remarks.)

(Mr. COTTON asked and was given permission to revise and extend his remarks.)

Mr. COTTON. Mr. Chairman, with a great deal of reluctance, I have felt that I must speak for a moment to this Committee. Reluctant because of the fact that I hesitate to disagree with colleagues whom I have followed for 5 years and in whom I have great confidence. But I have noted today that spenders and economists, liberals and conservatives, have become strangely reversed and intermingled. I feel compelled to mention one thing in this Committee. It is not entirely because I traveled to Europe with a group that went over recently. I came back fully convinced that we must watch with extreme care every dollar that we expend there; and, as one of the junior members on the Committee on Appropriations, I pledge to you that, for my part, whatever authorization is made I shall try to do my part in watching with care each appropriation. But I just want to say this to the Committee: Remember that when the chips are down and the vote is taken the eyes of the world—the press and the people of America, and the press and the people across the sea will not be focused upon the seven billion or seven and one-half billion or six and three-fourths billions that we authorize, but they will be focused upon the quarter of a billion or half a billion or three or four hundred million that we cut. The moral effect of all that we do here may well be dimmed and dulled if we are not careful in the matter of applying these cuts.

I have wondered why some of these speeches for the solvency of America were not made last week, when we were appropriating—not authorizing but appropriating—\$56,000,000,000 for national defense, and the next day some more billions for air bases and military installations. We voted for them without batting an eye, because I think every one of us is conscious, as we watch the deliberations in the so-called cease-fire conference, that we are in a serious and solemn hour. We have swallowed the camel and we are straining at the gnat. I have no quarrel with anyone who wants to vote against all European aid, even though I cannot agree that we can relinquish the beachheads we have won, the airfields that we hold there, the industries and mineral resources, and the friendship and help that we crave. I do believe that we ought to think carefully before we apply cuts to the carefully considered recommendations of the Committee on Foreign Affairs to the Congress. Our action is being watched

with extreme care all over this world. Let us watch the dollars as they are spent, but I beg of you to think carefully of the moral effect of a relatively small proportionate reduction, the difference between a quarter of a billion or a half a billion dollars, a few million dollars in the authorization after we have already appropriated over sixty billions. I, myself, do not feel that I want to be in the position of being pointed to later as having done something here today that perhaps lost us some of our strength in a critical time of history. I do not like to have the party, which I sincerely believe in, placed in that position. I, personally, as a member of the Committee on Appropriations, who took this trip abroad and observed carefully as we went through these various countries, feel that I am going to vote against a cut beyond the recommendations of the committee that has been considering it, and I shall then give these expenditures a long second look and searching consideration when the time comes to spend these dollars.

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. O'HARA. Mr. Chairman, I move to strike out the last word.

(Mr. O'HARA asked and was given permission to revise and extend his remarks.)

Mr. O'HARA. Mr. Chairman, I do not want it misunderstood as to how I personally feel about this bill; I want to be perfectly frank and tell you that I am going to vote for these reductions and then I shall vote against the whole bill. I have been here long enough to remember the early 1941 days of lend-lease when we were sold the great program of lend-lease under the guise to keep us out of war, and I have listened to each of the appealing and emotional reasons why we should vote for this foreign-aid program and that foreign-aid program. I must take the responsibility for saying that in my judgment they have contributed but one thing for us, and that is that those programs have contributed but to inflation and bankruptcy of America. I cannot see how you who have been so conservative in dealing with appropriations necessary for the people of our own country cannot deal with the same concern when it comes to throwing our money all over the world. I say to you that it is as easy for you to buy your way into heaven, and I believe there is a heaven, as I believe it is for you to try to buy countries to fight against communism or to instill a desire in the people of other countries of the world to fight for their own homeland. If they have not that patriotic feeling then you have not enough money in the United States ever to buy it. Many mental justifications for this bill will be advanced by the membership. The gentleman from Iowa spoke about strategic materials a few minutes ago. Let me talk to you about steel. The great iron mines of the United States are in the Mesabi Range in Minnesota. With normal use—not wartime, but peacetime use—there is about 20 years of steel left in those ranges, as has been testified to by experts.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. DONDERO. The information given to the Committee on Public Works—and we were there in the month of June—was not 20 years, but about 10.

Mr. O'HARA. I accept the gentleman's correction, because he was there this summer investigating that very problem. So pretty soon we will have sent steel under the ECA programs and various programs of rearmament, to other nations of the world I do not know how much that they will use for fighting. But when our steel is gone in this country then we subject ourselves to the same condition England and other countries who have no steel find themselves in today. We must then depend on foreign imports.

My judgment and my feeling upon this bill is expressed perhaps by the thought of a great southerner, Benjamin Hill, of Georgia, who wrote some time ago this statement:

He who serves his country saves all things, and all things saved shall bless him. But he who lets his country die lets all things die, and all things dying shall curse him.

I feel that it is my responsibility to see that we do what we still can to save this country from complete bankruptcy and insolvency. I say to you that we are close to that border where taxation will be destructive of this country, destructive of the initiative and the desire of the people of this country to work and to save and to fight. It is not just economic. It is all of the things that make up common sense, and if you think your people back home do not realize their burdens, the great tax burden of the poor and rich alike, you are mistaken. If you think they are not deeply concerned over this design, and unless you deal with this subject realistically in your thinking, you are also mistaken.

(Mr. KELLEY of Pennsylvania asked and was given permission to extend his remarks at this point in the Record.)

Mr. KELLEY of Pennsylvania. Mr. Chairman, last week August 9, I called the attention of the House to conditions in Europe which to me appear to warrant the inclusion in our foreign aid program of certain provisions designed to correct basic weaknesses of current ECA policies. I said that, while the Marshall plan has saved Western Europe from economic collapse and subsequent communization of most of her nations, the workingman is still not receiving the benefits intended by us, that he is just not getting his share of the economic gains made possible by the contributions of the American taxpayers.

Through the kindness of Philip M. Kaiser, Assistant Secretary of the Department of Labor, I have received brief statistical information which bears out the principal point of my statement and which, I believe, is particularly apropos in view of the fact that extension of economic aid is at the present time being studied by the House. This condition is a fruitful argument by the Communists to maintain their membership and discredit us.

FRANCE

General situation: Industrial production in France has reached in May 1951 its highest level in postwar time, with an index number of 129—1937 equals 100—compared with an annual average of 102 in 1948. Gross national income in 1950 was estimated at 7,390,000,000,000 francs, compared with 6,875,000,000,000 in 1949, and 5,712,000,000,000 in 1948. ECA has contributed largely to the economic recovery of France, but it has not assured to French labor an adequate share of the results of this progress. The gains in nominal wages which the workers could register were again and again absorbed by rising prices, with the result that real earnings of French workers today are much lower than they were in prewar time. Physical reconstruction in France has been slow, and the housing situation is still extremely serious. Only in the consumption of some essential foodstuffs, such as meat, milk, and cereals, did the level of living in 1950 exceed the prewar level, and there, too, only by a few points.

Earnings: The French worker presents the unhappy spectacle of a marked deterioration in his living standards compared to prewar, and a decline in 1950 compared to 1949. According to a calculation made by ECA's European Labor Division, real earnings of a single worker in Paris were at the end of 1950 39.1 percent lower than in 1938; under the Marshall Plan, they had grown only by 3.5 percent. For a Parisian worker with wife and two children who received the statutory family allowances, the corresponding figures were: 19.9-percent decrease from 1938 to 1950, and 1.7-percent increase from 1948 to 1950.

Whereas before World War II, a single French worker could buy approximately 68 percent as much food with an hour's labor, as could an average American worker, in 1949 he could buy only 37 percent as much, and in 1950 only 31 percent as much. The French worker with wife and two children could in 1949 buy 51 percent as much, and in 1950 42 percent as much as an average American worker.

ITALY

General situation: Italy has not yet—even with Marshall aid—been able to organize all of her labor potential for production. This is partly because of her lack of resources such as coal, power, and raw materials. Italy has long exported population, and when the customary outlets were denied to her the accumulating surplus brought about overcrowding of farms and underemployment in factories. As a result, payrolls in the early postwar years were padded with unnecessary workers who actually impeded productive efficiency. The ERP has mitigated, but not solved, the problem by, first, enabling Italy to acquire raw materials and improve capital equipment; and, second, by aiding international migration schemes.

Production indexes have risen to unprecedented heights; compared to 1938, the general index of industrial production reached 140 in March 1951—a larger increase than that shown by almost any

other European country. The whole of the increase has occurred since 1948. In contrast, the employment index stands no higher than it did in 1948, and unemployment has shown little except seasonal changes in absolute numbers. Hours of work have increased somewhat since 1948. Obviously many workers have obtained steadier and more remunerative employment, while others are still eking out a precarious existence and the competition for jobs continues keen.

Wages: Since 1948 the industrial worker's wages appear to have risen slightly more than prices of consumer goods. In April 1951 the index of real wage rates of industrial workers, including cost-of-living allowances, stood at 100 and including family allowances calculated for a wife and three children at 105—1948 equals 100.

In terms of American standards, Italian wages are still very low and are even now a little lower than they were before the war. With an hour's labor an Italian worker could buy only 26 percent as much food as an American worker before the war, and 24 percent as much in 1949 and 1950. This was the lowest ratio of any ERP country. A married worker with two children could buy 28 percent as much as the American in 1949 and 1950, owing to his receipt of family allowance.

The Italian worker's purchasing power is not worsening at present and that is very important. But there is both room for and, indeed, desperate need for further improvement.

Housing: In spite of recent Government-sponsored housing plans, Italy has not yet caught up with the backlog of postponed demand. The overcrowded and often unsanitary condition of housing in Italy is one of the factors causing political unrest. With the help of ECA counterpart funds the Government has recently launched a 7-year low-cost housing program which aims at the construction of almost 1,000,000 rooms.

WEST GERMANY

In many respects German economic recovery has been remarkable during the Marshall plan period, especially during 1950 and early 1951. Particularly during the latter period improvement has been noteworthy in the fields of industry production and productivity, living standards, including real earnings and housing, and increased employment.

Production and productivity: The index of industrial production increased 175 percent from 1947-48 to 1950-51 to reach an annual average of 129—1936 equals 100. In April and May 1951, it reached the peak of more than 138. During 1950 alone, production increased by more than one-fourth. This encouraging increase was largely brought about by fuller use of capacities based upon increased demand, larger imports of raw materials, and the rise in worker productivity.

Between the middle of 1947 and the middle of 1951 the index of output per man-hour in industry increased by 65 percent and climbed to 96 percent of 1936. The greatest improvement during 1950 was noted in shipbuilding, crude oil

and refining—over 65 percent—while the consumer goods industries and coal mining showed an increase of less than 10 percent.

To both these developments, ECA has made vital contributions, by grants and loans from dollar funds and by release of DM counterpart funds.

Housing: The housing situation has improved during recent years, but is still grave. Although 1950 was a record-breaking year with 350,000 dwelling units completed,—a significant part of them through ECA—it will take more than 15 years at this record rate of construction to return to the prewar housing density. Housing density estimated at 1.8 person per room contrasts sharply with the prewar average of about 1.3 persons per room. There exists at present a housing shortage of about 3,400,000 units. The shortage has arisen from war damages and the abnormal increase in Western Germany's population by more than 8,000,000 refugees.

Employment situation: The number of employed wage and salary earners has been growing steadily since 1947-48, reaching in May 1951, 14,526,000, an increase of 10 percent. Employment accelerated during 1950 in manufacturing, construction, trade and commerce. An interesting new development is the increase in the number of women in the labor force, who now form about 30 percent of all employed persons.

Unemployment continues to be a serious problem with a level of 1,387,000 at the end of May 1951. Although this represents a considerable improvement over the near catastrophic winter of 1949-50 when employment was about 2,000,000, the disquieting feature consists in the chronic nature of unemployment and the fact that it is proportionately high among refugees thus constituting a potential cause for political instability. An expanded housing program is an essential prerequisite for a lasting decline of unemployment.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, all amendments and substitutes thereto, and there can be but one, as I understand the parliamentary rules, close in 1 hour.

Mr. MILLER of Nebraska. Mr. Chairman, reserving the right to object, it was our understanding when we had only 4 hours of debate on the bill that there would be no tendency to shut off debate. I have not been heard on the bill, and the gentleman has been heard, I think, 21 times, the Record will show.

Mr. RICHARDS. Mr. Chairman, the gentleman has been heard one time on the bill and once under the 5-minute rule, and may I say further that we had time here to turn back. Had the gentleman asked me for time in general debate, he would have gotten it. I also understand that the gentleman who had charge of the time on the other side had time to turn back.

Mr. MILLER of Nebraska. I hope the gentleman will not try to limit debate.

Mr. RICHARDS. Mr. Chairman, I withdraw my request.

Mr. DEVEREUX. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. DEVEREUX asked and was given permission to revise and extend his remarks.)

Mr. DEVEREUX. Mr. Chairman, there has been the suggestion that in the event we do not vote the entire amount called for in this bill the psychological reaction in Europe may be bad. Now, I do not pose as an expert on Europe, not having lived there for many years, but I have known Europeans throughout the world.

I respectfully suggest that perhaps the reaction might be very favorable in the event that we do effect some reductions in this authorization. I suggest that perhaps the European countries and the countries of the world will realize that we as a nation have finally reached maturity and that we are not going to do everything for them. As a result they will respect us a great deal more than they have in the past.

In the event the reaction is bad and they walk out on us, I suggest perhaps it is about time that we find out whether they are with us or are against us.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to call your attention to what seems to me to be an utterly inconsistent policy of our government, not the policy of the Committee on Foreign Affairs, for I am not criticizing them—but a policy which this Congress is following. We are here about to appropriate multiplied billions of dollars to buy arms for our friends all over the world. You may well say "That is fine; we want them to help us," and so do I. I realize they cannot help us very much with butcher knives and clubs; I realize that they have got to have modern weapons. I think that this aid has been and may yet be very helpful, but somehow or other I have a sneaking doubt about what some of those people can do in case of an outbreak of world war. I do not believe that a dozen jet planes in the hands of some country that has no mechanical background or facilities will be of very much value in case of war with Russia. About all that would happen is that those planes would fall into Russian hands, and the Russians are smart enough to use them, and they have the facilities to use them. I do not believe that a bunch of tanks in some country that cannot maintain those tanks either with equipment or with gasoline is of very much help. They, too, will probably fall into Russian hands, and again the Russians can use them.

I do not even know that a large number of foot soldiers, where it is doubtful that they will be able to make a stand, or where it is doubtful that their government will make a stand, is of very much help. They are likely to simply let their arms fall into the Communists' hands. We have seen that happen all over Asia, and that is what we are crying about now. The Communists are equipped, at least in large part, in Korea, with arms that we supplied to those who were our friends.

Why should not we play this game safe and accomplish the same results for our friends and accomplish a whole lot more results for ourselves by paying the men of those countries of doubtful strength

or determination as our soldiers? Why not give them the opportunity to enlist in the United States Army, rather than setting up a bunch of little indefensible military units all over this world that cannot possibly support themselves and cannot possibly be of very much help to us?

You can take a billion dollars and you can pay 1,000,000 men \$1,000 a year, and you can make those men members of the United States Armed Forces. It will not cost you any more to arm them under the American flag than it does to arm them under 40 different flags, and we are going to pay for the arms anyway. When you have done that you have a striking force of some real power. In that way you would put a million men in the Army in various parts of this world under the command of the United States of America. Right here, Mr. Speaker, I want to make it clear, I am not talking about a United Nations army; I am talking about the United States; I am talking about enlisting Japanese, Germans, Filipinos, enlisting Nationalist Chinese, on whom we spent a third of a billion dollars in this bill, and we do not know whether it is going down the rat hole or not. I am talking about enlisting these people and any other people who want to enlist in the United States Army. I am suggesting that we control the disposition of those men and the equipment for which we are paying rather than let somebody of doubtful judgment, to say the least, control them.

Mr. BATTLE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Alabama.

Mr. BATTLE. Does the gentleman from Texas realize how much more that will cost us?

Mr. POAGE. It would cost a billion dollars for a million men; that is what it will cost us.

Mr. BATTLE. Some of the people in France and the other countries are serving for 5 cents a day, and when a battalion, and so forth, can be effective, it has to be good.

Mr. POAGE. You do not have to bother about the Frenchman. The French will organize an army. You do not have to bother about the Englishman. You are not going to enlist any Englishmen. I am not suggesting that we should take anyone against his will, or seek any enlistments where the local forces are strong enough to stand against the foe. But there are many millions of men in this world who would like to enlist in the United States Army, and all I am doing is saying, "Let us open the door and give them that opportunity."

Mr. ARMSTRONG. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Missouri.

Mr. ARMSTRONG. Does not the gentleman think we might very well use for that purpose some of these, our new allies, in middle Europe, West German manpower, for instance?

Mr. POAGE. Certainly, I think we should use the West German manpower.

They are good soldiers. You can get a million men in Western Germany alone. Just yesterday we were told that

there were 9,000,000 displaced persons in Western Germany, and that the German Government wanted us to assume responsibility for these people. Let us give some of them a job. But as long as we are going to pay the bill, let us keep control of the armies we pay and equip.

We are spending this money to protect America. If that is not so, there is no justification for its expenditure. The assistance others get is desirable, but it cannot justify the taxation of American citizens. Why, then, should we try so hard to make our aid ineffectual by breaking it up into small items with no over-all directing head? I plead with Congress to keep American officers in command of at least the bulk of the men and materials we pay for.

Mr. JOHNSON. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON. I yield.

Mr. HAYS of Arkansas. In answer to the statement of the gentleman from Texas [Mr. POACE], General Marshall told our committee that there are 12,000 officer personnel in this country receiving training for the very purposes mentioned; that is, they go back to their own countries to train men in the rearmament program.

Mr. JOHNSON. Mr. Chairman, I am reluctant to discuss a bill which comes out of a committee of which I am not a member, but I did have the very interesting experience last summer of studying the military assistance program in seven of the countries in the North Atlantic Pact and also in Sweden and Spain. I was sold on the concept that we must unite with the free countries of the world for our own protection.

I have listened to this debate. There is one underlying thought that seems to creep up in two-thirds of the speeches, and that is that this legislation is primarily a foreign-aid bill. Under my concept of the matter, it is not a foreign-aid bill, it is distinctly a bill for the protection of the American Nation and American institutions. It is true that France and Norway and Denmark, and so forth, do get aid, but the real purpose of the bill is not to protect them; the real purpose of the bill is to protect the United States of America.

In that regard, I would far rather have the frontier of our security system 3,000 miles away from home than to sit here at home and wait for aggression to come to us in the form of an air attack on the eastern seaboard.

Another thing that has been brought up is that we should not be in Europe. Do you not see that really America is a transplanted Europe? Most of the people in America came from Europe. Our immigration is fashioned on the theory that most, if not all, of our immigrants will come from Europe. Eighteen percent of us in the Congress of the United States today are the first gen-

eration of parents who migrated from Europe.

The point I want to make, and I was convinced of this last summer, is that we have the Communist threat pointed directly at us. The Soviets are not interested in capturing Italy as Italy or Norway as Norway, and so forth. They think if they can lop off one free nation after the other and take with that free nation their industrial capacity plus their military capacity, which now is very low, then finally they will get to the major plum and they will then perhaps be in a position to capture America. That is why I think we would be very unwise to cut off any of the military appropriations we are authorizing by this bill.

We must in the nature of things take our strategic concept and make up our minds by taking the advice of men who are spending their lives to protect America. That is their business. By and large, I am going to accept their judgment and not the judgment of somebody that I happen to talk to or some isolated statements that I happened to hear, which frequently come from irresponsible and ill-informed persons.

I was home last week and talked about this and similar problems before a group of businessmen. Practically every man there thanked me for presenting this security problem to them. They did not understand it. They said, "We are with you if you will use good judgment in trying to preserve and protect America and the free-enterprise system under which we operate. If that is what you are doing, then we are willing to stand high taxes, although they are very onerous." So I say to you that is the problem we have for consideration.

I believe there is another thing you must think about, and that is this: The United Nations, in my humble opinion, is dying on the vine. The basic concept of that organization is such that it cannot be effective. Of the 48 vetoes that have been invoked, 47 were invoked by one country. If the United Nations dies, I should like to see a strong group like the North Atlantic Treaty nations tied together for their mutual protection. We are committed to a 20-year-security agreement with Europe. We did not have a chance to vote on it. I am for the amendment to give the House a chance to approve treaties. But we are tied by a solemn agreement for 20 years, and it is for our protection and their protection. I am willing to stand behind it and implement it if necessary.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON. I yield to the gentleman from Georgia.

Mr. COX. I want to thank the gentleman for the fine contribution he has made to this debate. His statement is extraordinary. I compliment him.

Mr. JOHNSON. I thank the gentleman.

Furthermore, Mr. Chairman, we are in an armaments race. Most armament races finally explode into a war. We are praying that this will not happen. It may be that a showing of military and economic power such as we are building

here and abroad will avoid the war, which hovers over our horizon. But if that terrible catastrophe should befall the earth our efforts today would be immensely useful, in fact might be the foundation upon which victory would rest.

Much bitter criticism has been indulged in here today to the effect that the European nations do not have the will to fight. This measure is one, I think, that will stiffen their determination to fight and will provide the weapons to make the fight. In three separate countries the nationals with whom I dealt told me definitely that with the military defense assistance plan in effect they would very definitely fight to retain their sovereignty and their freedom. As one man from a small country said: "We know we cannot resist Communist aggression very long; perhaps only a few days. But if we know that the United States, England, France, and others are coming to our rescue with men and modern arms, then we will fight to the last man. Your country must mean business, or it would not have signed the Atlantic Treaty." So I say to you the will to fight is there providing the North Atlantic Treaty plan is carried out.

I am worried about this terrific expenditure. But when we fight for our freedom and our survival I want to do what little I can to assure victory even though it is extremely expensive. This is the kind of struggle that we cannot lose. We are taking money from our grandchildren, but it is an expense that they may have to carry because we took steps to preserve their freedom.

Time and space have been wiped out, so we cannot procrastinate now if we are to be ready for the worst. If we are ready I am hopeful that the aggression will not come and posterity may get the peaceful world that the veterans of the last war fought and died for. If we do our part today to protect America, as this bill provides, we will in part atone for the terrible sacrifices of our soldiers and sailors and of many of our people at home. I do hope that the military authorizations in the bill will not be disturbed.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word and rise in support of this amendment.

Mr. Chairman, there have been a number of very interesting questions raised in the debate. Two of the gentlemen in particular have said that "the eyes of the European nations would be upon us. Three hundred and fifty million dollars may be a very small cut to make, but it might have a very bad psychological effect on the people with their eyes on America." We have heard that so often. What must we do to hold the confidence of the people we have joined with to protect them for the last number of years? I voted for \$5,000,000,000 or more to go over there to implement this matter. The other day we appropriated \$56,000,000,000 to make ourselves strong. We have given them more than they have asked for. We have spent billions upon billions upon billions of dollars and shed our blood by the hun-

dreds of thousands and even millions of our soldiers and now we hear said on the floor of the House that the eyes of the world are upon us. To me that is a very poor argument. I will tell you that the eyes of the American people are on us. At the expense of being classified as a little old fashioned, I want to speak again for the people who pay the taxes to send us here to spend their money for their defense. I received a letter this morning from one of my constituents, Ed Lacey, of Kimmunity, Ill., that made me think probably the people back home have their eyes upon us. I knew as I have said before many times in these debates when urging greater economy in the interest of our people that they did have their eyes upon us. Here is a farmer and he is a very substantial and intelligent farmer whom I have known a good many years—he is a Republican, I will say, for the benefit of you Members on the Republican side who are going to have to pass on this matter pretty soon. He said: "I have recently read a report from a roving reporter in Washington that says that the people in Washington drink more booze than in any other city of the United States of its size. When I read the reports last Friday in the paper that the Congress, by 348 to 2, had passed a \$56,000,000,000 appropriation bill, I decided they must all have been drunk and probably this reporter is right."

He also said: "Where does the Congress think all this money is coming from? Do they think there is no limit to what the taxpayers can pay?" My colleagues, the defense bill to which he referred should have been cut, in my judgment, by \$10,000,000,000. Yet no member of the committee made such an attempt.

I realize we have a big problem here and we have to keep the defense of our country and of the world in proper perspective with the other countries of the world. But I think we could and should make a reduction in this bill over \$2,000,000,000. I will tell you why. It has been brought out before. There is about a 5- or 6-billion-dollar backlog which was voted last year, which has not yet been spent. Now it is almost fall. We will be back here in January and we will be called upon to appropriate once more. Certainly, if we appropriate nothing in this bill, I think there is enough money to carry this on and I do not think they would spend it before we come back here in January when they would be able to bring in proper legislation.

I ask you to support the Smith amendment that would cut out \$1,000,000,000. That is not enough, but that would help.

I say to you, in all seriousness, unless you stop voting to recklessly give away countless billions all over the world, you will soon spend this Nation into bankruptcy and we shall lose our liberty and freedom.

(Mr. WIGGLESWORTH asked and was given permission to revise and extend his remarks.)

Mr. WIGGLESWORTH. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I did not expect to speak on this measure today. I intended

to reserve my remarks until after consideration of the matter in the Appropriations Committee.

The measure is of such great importance, however, that I feel compelled to express very briefly my point of view in respect to it.

I speak only for myself, fully conscious of the fact that many of my colleagues, with whom I usually see eye to eye, disagree with my point of view in this connection.

I yield to no man in this House, Mr. Chairman, in appreciation of the dangers for this country involved in the tremendous spending in which we have indulged over the years under the present administration.

I have fought that spending over the years time and time again. I expressed my views to some extent in this connection in regard to the \$56,000,000,000 appropriation bill for the armed services which passed this House a few days ago.

I think we should be very careful, however, Mr. Chairman, as to how far we go in reference to the bill before us today. In my judgment, it is of tremendous importance.

I regard the proposed European aid as national defense. If it is not in the interest of the defense of this country, we have no business undertaking it at all.

It is an attempt to help friendly nations overseas to build up their military power, so that they may have strength enough in a year or two to take care of themselves and to relieve us of the burden which we are now assuming in our own interest and in theirs.

The economic pump has been primed. The military pump has not been primed, and it is vital, in my opinion, that it should be primed.

It is not too much to say, Mr. Chairman, that the future of the entire Western World may hang on whether or not it is possible to build up the military power of these allied nations overseas.

What we do or do not do today, in my judgment, can have a tremendous psychological effect on the success or failure of that endeavor. If we go too far we can play directly into the hands of the enemy.

I, too, recently visited Europe and had a chance to observe the progress there at first hand.

In my judgment, there is a real chance of bringing about the result to which I have referred, of helping the allied nations overseas to build up the necessary military power within the time available.

I think the success or failure of that endeavor more or less hangs in the balance at this moment.

Success is not assured, of course—risk is involved inevitably—but, Mr. Chairman, I, for one, do not want to do anything at this critical moment which in future years I may look back to as having jeopardized this tremendously important undertaking.

I want to cut this bill, just as far as we can cut it with safety. But this, in my judgment, is not the time to cut it. The time to cut it is after thorough consideration by the Committee on Appropriations of the financial details, some

of which, I am informed, have not yet been presented to or considered by the Committee on Foreign Affairs.

I hope, Mr. Chairman, that the Congress will take no step today that may prejudice the success of the mission, which is now in the very able hands of General Eisenhower. He has achieved greatly in building the morale and the determination of the nations in Europe.

The success of his mission is of paramount importance to America and to all the free nations of the world.

(Mr. SHEEHAN asked and was given permission to revise and extend his remarks.)

Mr. SHEEHAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, as one of the freshman Members of this House, and as one who, it is obvious has not had enough years on this earth or enough seniority in Congress to be even faintly classified as a statesman, I have to refer back to the founders of our Constitution once in a while to find out what a Congressman should be and how he should represent his constituents.

In the Federalist papers which were written with a view toward explaining to the American people the purposes of our Constitution, Mr. Alexander Hamilton and Mr. James Madison brought out the idea that the sense or will of the community will prevail in our type of Government. They said:

As the cool and deliberate sense of the community ought in all governments, and actually will, in all free governments, ultimately prevail over the views of its rulers; so there are particular moments in public affairs when the people stimulated by some irregular passion or some illicit advantage or misled by the artful misrepresentation of interested men, may call for measures which they themselves will afterward be the most ready to lament and condemn.¹

It is with the above viewpoint in mind propounded by our founding fathers that I must examine the Mutual Security Act and its implications. I am of the political philosophy that a Congressman should vote to express the will of the majority of his constituents unless, in his own conscience, he is convinced that such majority opinion would be contrary to the general welfare of the country. In that case, the Congressman voting against the will of the majority of his people would have an obligation to let the people know why he felt the majority opinion was not in the best interests of the country as a whole. In my particular congressional district, on April 30, a civic group, the Citizens Committee for Good Government, conducted a town hall meeting which was open to everyone in the congressional district. One of the questions asked at this meeting concerned the advisability of continuing foreign aid to Marshall-plan countries, and of the hundreds of people in the hall only a scattered minority voted in favor of continued foreign aid. Further bearing out this point, the 551 replies I received in answer to a poll conducted by a well known news commentator indicated 86 percent very much opposed to furnishing economic aid along

¹ The Federalist, pp. 393-394.

with military aid to Atlantic Pact nations, while only 14 percent were in favor of this aid. In a continued attempt to check my constituents' reaction to continuation of the foreign-aid program, I sent out approximately 2,500 postal cards to my district and one of the questions was: "As a taxpayer, do you want to continue foreign-aid programs such as the Marshall plan, and so forth?" With approximately a 30-percent return, 77 percent were against foreign aid and only 23 percent were in favor of continued foreign aid.

From talking with constituents during my trips home and from the letters received, there is no question at all in my mind that greatest majority of constituents in the Eleventh Congressional District are opposed to further foreign aid and it is my duty to express this opposition by voting against this bill.

I note that the cool and deliberate sense of the community is further brought out by recent developments in that General Eisenhower stated last week that he felt the European countries were not doing their part in furnishing the manpower needs which they had agreed to furnish. I also noted there is a serious split in the Socialist Party in Britain headed by Aneurin Bevan, and that this group is opposed to Prime Minister Attlee's ideas and seem about to wrest control from Prime Minister Attlee. Aneurin Bevan, who is the leader of this group of Socialists had their ideas expressed in the pamphlet, *One Way Only*, which pamphlet endorsed by Bevan states that America should cut her aid and give \$14,000,000,000 of gifts to the world.

As I stated, the cool and deliberate sense of the community—of my particular community—realizes that the Marshall plan foreign-aid idea which was sold to the American people as a temporary aid is now being looked upon as a permanent hand-out.

Recently statistics have come out of Europe showing that practically all of the majority of the European countries have reached an industrial production level of from 110 to 150 percent of their 1939 production and certainly we cannot justify further aid with the excuse of postwar recovery. If we continue to attempt to expend this money we will reach a point where the taxpayers can no longer stand the burden which will result in serious economic disruption of our own country.

On the idea of containing communism, I can best use the words of Mr. John Knight, editor and publisher of the independent Chicago Daily News, when he "contended also that while the flow of American dollars into the war-torn countries of Europe would stimulate economic recovery, it didn't necessarily follow that communism would dry up and disappear. Both of these warnings were borne out by subsequent developments. Much of the Marshall-plan money was dissipated through faulty administration and the failure of foreign governments to face their problems realistically. Nor did communism, a nonpurchasable ideology, wither on the vine. While the European Communists have had their set-backs in national and

local elections, the hard core of communism still remains."

With the foregoing evidence in mind and the philosophy of voting to express the will of the majority of my constituents, I do not think we should continue further foreign aid, but should permit the European countries to exert their own efforts on their own behalf if they want to preserve their freedom and liberty.

Mr. ROONEY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise to commend my able and distinguished friend and colleague from the Committee on Appropriations, the gentleman from Massachusetts [Mr. WIGGLESWORTH] for his statesmanlike remarks made just 5 minutes ago. He succinctly and clearly stated the problem, which has evidently confused most of the Members on the other side of the aisle and a few on this side.

It would seem from listening to the long debate today that we have been listening to a group of apostles of doom who have no confidence in the future of our Nation, who have no confidence in the ability and strategy of our military leaders.

If we were to cut any further beyond the drastic reduction already made by the Committee on Foreign Affairs of the military funds for Europe we would in effect humiliate General Eisenhower in the eyes of the peoples and parliaments of Western Europe and the NATO countries. General Eisenhower has been working strenuously now for some 9 or 10 months, for what? The defense of these United States of America.

I happen to be one of the Members of this House who went to Europe some 7 or 8 weeks ago and conferred at great length with General Eisenhower, his staff, and our representatives in Europe. Today we find that most of the members of that delegation who visited the general and some seven or eight countries of Western Europe at that time, only 8 weeks ago, and they were 18 in number, 9 from the majority side and 9 from the minority side of the aisle, are for the full amount reported to the House floor by the Committee on Foreign Affairs for military aid to Western Europe.

You can be sure that the many speeches today, such as the one made by the gentleman from Illinois who last spoke, will be widely endorsed and favorably distributed throughout the Soviet Union and its satellite countries.

Mrs. CHURCH. Mr. Chairman, I ask that those words be taken down.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read certain words.

Mrs. CHURCH. Mr. Chairman, the words to which I referred were the one or two sentences directly preceding the words which the Clerk has read.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read the words objected to.

Mrs. CHURCH. A parliamentary inquiry.

The CHAIRMAN. The gentlewoman will state it.

Mrs. CHURCH. The words to which I objected were the ones in which the gentleman referred to those opposing the bill, or at least, recommending a cut in the bill on the basis of national solvency as being prophets of doom—incidentally, I withdraw my objection to that—but as having been an aid and comfort to the politburo. I take distinct exception to those words.

The CHAIRMAN. The Chair would like to propound a question to the gentlewoman from Illinois. Does the Chair understand from her parliamentary inquiry that she did not wish the words taken down that were reported, but that there are other words she does want taken down?

Mrs. CHURCH. The words which I wish taken down are the words that were reported as the gentleman spoke them. My parliamentary inquiry referred to the fact that the words originally read by the Clerk did not contain the sentence to which I took exception.

The CHAIRMAN. Then the gentlewoman is interested in words other than the ones that were reported by the Clerk?

Mrs. CHURCH. That is correct.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read the words objected to.

Mrs. CHURCH. That is the sentence to which I took exception.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and he herewith reported the same to the House.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read the words objected to.

The SPEAKER. The Chair desires to state as he did on a previous occasion, these are all close and bothersome questions. If we were to hew to certain lines too closely, it would, in the opinion of the Chair, prevent full debate on many questions. However, there is a line of demarcation beyond which debate would be too free. I repeat these words:

One further thought that I have, Mr. Chairman, and that is we must with this debate and with the utterances of these apostles of doom, be giving great aid and comfort to the Politburo.

The Chair thinks the gentleman from New York [Mr. ROONEY] could have conveyed his meaning in words other than those, and upon this occasion the Chair is bound to hold, and the Chair trusts there will be no demonstration of any kind when the decision of the Chair is made because this is not that kind of a question, the Chair does think that these words in all probability cross that thin line of demarcation, and,

therefore, must hold that they are a violation of the rules of the House.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROONEY] may withdraw his words, and that he may be permitted to proceed in order.

The SPEAKER. Is there objection to the question of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5113, with Mr. WALTER in the chair.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have before us today a bill which coming at this time might be, and, in my opinion, will be, a marked contribution toward the goal we seek, and which decent-minded persons throughout the world, whether they are citizens of countries that are not dominated by Communist rulers, or are dominated by Communist rulers, seek—and that is peace—a peaceful world in which to live where nations might work out their normal and natural destiny, and where human beings may live a normal life free from oppression and aggression or the fear of war. I urge my colleagues, without regard to party, to consider seriously the pending amendments in relation to the reduction in the authorized amount in title 1 of the bill. I express the opinion that the next year will determine whether or not the world is going to be involved in a third world war. Personally, I think the situation has improved materially in our favor during the last 2 years. But I think the next year will be the test—the crystallizing test of what we have done, and it is my firm opinion that the actions we take, and the actions that the free neighbors of ours may take during the next year, will be the determining factor on the question of whether or not the world is going to be hurled into another terrible conflict. So far as I am concerned, if I am going to err, I am going to err on the side of strength and not on the side of weakness. I have said on this floor, and I repeat it because it is firmly fixed in my mind and it cannot be repeated too often, even to the extent of slight irritation, that the only thing Communists respect is what they fear. The only thing they fear is power greater than they possess.

I have been a strong advocate, as have my colleagues, without regard to party, of a strong national defense; first, as a possible deterrent to acts of aggression which might lead into a general war; and second, the event of that unhappy thing occurring, that we will be strong enough to win. Because, after all, we have a duty and responsibility to preserve the country which we have inherited from the past. That duty devolves directly upon our shoulders as Members of the Congress of the United States.

As I view the pending legislation, while relating to the defense of Europe, it is

also a part of the defense of America. I voted for this legislation, not to help some other nation alone, solely, but, through helping that nation, I am making a contribution to the national defense of our own country and to the national interest of our country. The purpose of this legislation is to be a supplement to the efforts of any recipient nations and their peoples, in their desire for independence, for liberty, and for peace. This bill is not a substitute for their efforts, but an implementation. In doing this we are acting for our own national defense and for our own national security. It seems to me it is for our interest to make Western Europe strong, under the leadership of General Eisenhower; to make it strong so that it will be a barrier to communism. When we have accomplished that, we can then start the journey back toward liberation of the people who are now enslaved behind the iron curtain.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that I may have one additional minute.

Mr. VORYS. Reserving the right to object, and I intend to ask that the gentleman have five additional minutes, will the gentleman in his further remarks disclose what is at present a military secret; that is, when is it the plan of the leadership to complete action on this bill?

Mr. MILLER of Nebraska. Mr. Chairman, I ask unanimous consent that the gentleman have five additional minutes. I want to ask him a question or two.

Mr. McCORMACK. Make it 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts that he may proceed for three additional minutes?

There was no objection.

Mr. MILLER of Nebraska. The other question—I am sure the majority leader did not mean to infer when he said that the decent people of the world would applaud our passing this bill—he did not mean to infer that we who are opposed to the bill are not decent-minded? I am sure the gentleman did not mean that.

Mr. McCORMACK. Oh, no. I do not think I said that. I said what the decent-minded men and women behind the iron curtain, as well as outside the iron curtain, are looking for is peace. That is what I think I said. If I said anything else, I offer everyone who may be affected thereby my apology, and to the gentleman from Nebraska my apology. But I think the RECORD will show that I did not say that.

Now, on the question of when we are going to close this bill, I do not know. I undertook to give some advice earlier in the day, or at least to make some contribution. Failing in that, I am unable to make any further contribution.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HALLECK. Can the gentleman tell us whether or not, assuming that

we do not complete it by around 6 o'clock we will go into a night session or will we complete the bill tomorrow? I have been asked by many Members who want to know how to arrange their affairs for the evening and tomorrow; and if it could be determined, I think it would be helpful.

Mr. McCORMACK. I am unable to answer my friend. I would be very glad to get into a discussion of those things which are usually worked out in a discussion between the leadership on both sides. The gentleman from South Carolina has been given a very difficult task as chairman of this committee, and he is doing a magnificent job.

Mr. RICHARDS. Mr. Chairman, the gentleman from Massachusetts, the distinguished majority leader, also has a very strenuous job and is doing a wonderful piece of work. Does not the gentleman from Massachusetts agree that it is desirable to continue debate on this bill until it is completed tonight?

Mr. McCORMACK. I might suggest to my friend that when the 3 minutes of the gentleman from Massachusetts is disposed of, and it must be about over now, the gentleman from Indiana and the gentleman from South Carolina get into a huddle with the gentleman from Massachusetts and the Speaker and discuss this question. That is the way these things usually work out.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. If I may have one more minute.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to proceed for one additional minute. Is there objection?

There was no objection.

Mr. McCORMACK. I yield.

Mr. JENSEN. I am sure the gentleman from Massachusetts knows that a supplemental bill was reported out of the full Committee on Appropriations today which calls for the expenditure of more than \$1,600,000,000. That bill will come to the floor on Monday. There is going to be considerable debate on the bill.

Mr. McCORMACK. I am glad to get that information.

Mr. JENSEN. And I think the membership is entitled to know that there may be a great many votes on Monday when that bill comes to the floor. We are asked to appropriate more than \$1,600,000,000 even before the ink is dry on the regular appropriation bills.

Mr. McCORMACK. My extra minute is about up, so I shall put an end to my generosity in yielding by urging the defeat of any amendment which will reduce the authorized appropriation contained in this bill.

Mr. MILLER of Maryland. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, as the distinguished majority leader has just said, I think all decent-minded people are very eager to do the right thing about this particular bill, but many of us who want to do the right thing find ourselves confronted with a confused state of affairs and inconsistent thinking on the subject; not only of many outstanding minds, but of our own minds as well. All we need do

is look at the great State of Georgia where two of the most distinguished Members are in disagreement on what to do about this amendment. The same thing is true on this side of the aisle; and so those of us who are not informed of the inner secrets and are not able to grasp the astronomical sums that are involved in this thing are forced to look at it from the background of personal experience or in the light of homely similes to decide what we should do in this matter. First of all, I do not share the pessimistic views of some of our Members about the fighting qualities of our friends in Europe. It was my experience back in World War I to fight in the trenches along with the British and the French; in fact, I was integrated into units of both armies at different times, and I cannot question in my own mind their ability to fight or their willingness to fight if they have the opportunity and if they are properly trained. Likewise, there is not any doubt in my mind that Western Europe is our front line if we can hold it. However, on the other side of the picture there comes the thought that if we overextend or if we overestimate our power to produce, we may hasten our downfall rather than strengthen our position.

We have already seen—in fact, I have seen with my own eyes—arms go astray when we have spent millions to supply allies in the East, where there were untrained troops or in some cases no troops, so that the weapons we desired to go to our friends got into the hands of our enemies instead. I have seen airfields built at a cost of millions of dollars, for example, the airfield in Kweilin, China, just about ready to be used by our own forces, when the Japanese moved in to take the benefits.

So, again, the question as I see it from a purely practical standpoint is, Are there troops now ready in Europe, without arms, that are able to go out and fight to hold that front for us? If there are, we ought to give them arms. But it is difficult to see in the immediate picture how there could be troops ready to absorb effectively five or six billion dollars worth of arms this year.

Now, we must maintain our strength, both at home and abroad. Unless someone can show me and this body the fact that there are such European troops, I shall support the pending amendment. As I say, particularly with regard to the French and British, I have great confidence in their fighting power, but are there such forces awaiting arms now, and if there are not I think we can afford to go a little easy on this appropriation. Unless there is something that can be added to this picture, I am going to support the pending amendment.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Massachusetts.

Mr. HERTER. Merely as a matter of information and as a matter of public record, General Gruenther testified that there is a tremendous manpower available but there is also a supply problem. In other words, the manpower will be ready when the equipment is ready for

the men. The manpower proposition is running ahead of the equipment. They have given us notice that they will have the manpower ready to use the equipment when we send it over.

Mr. MILLER of Maryland. Are the men trained and ready to go?

Mr. HERTER. Some are trained and some are not. Some of those countries have had military training service from the beginning. Some have had no arms with which to train their men.

Mr. MILLER of Maryland. We did pretty well in World War II in training without adequate arms.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. MILLER of Nebraska asked and was given permission to revise and extend his remarks.)

Mr. MILLER of Nebraska. Mr. Chairman, I know that the emotions run rather deep on this bill, as evidenced by the fact that some words have been said that had to be taken down, and stricken from the RECORD. Most of us occasionally get close to the borderline and I have real sympathy for anyone who gets that close because I do it frequently, not intentionally, but because of the deep emotional feeling I have. The people I represent are greatly concerned about the spending under this bill, in fact the spending that goes on in government.

I was here when they had the Bretton Woods matter up, then had UNRRA, and lend-lease. I remember the Marshall plan. A man by the name of Marshall went up to a little New England college and made some remarks about helping Europe. That was the first inkling. Then it bloomed out; it was to stop communism a fine objective. I voted for the first Marshall plan because I wanted to stop communism. I am sorry now I so voted.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. I was guilty of the same sin back in 1948, and if the good Lord will just let me live and my people let me stay here long enough, I hope to rectify that mistake.

Mr. MILLER of Nebraska. There must be a lot of people who ought to come down to the mourner's bench.

But, did it stop communism? Since the Marshall plan has been in effect communism has expanded from 170,000,000 to over 800,000,000 people, and the end is not in sight, and you and you and you voted for the Marshall plan. You stand up here today and say "Stop communism." In the last election in Italy more Communists were elected to their legislative assembly than in the previous election, and we spent \$2,000,000,000 in Italy to stop communism. In France we spent over \$4,000,000,000. Do you think those people infested in a diplomatic way, industrially infested, will have a will to fight against communism?

I thought somebody was going to answer me. I heard so much mourning around the Hall. Well, nobody answers me. Do you think they will have the will to fight? I wish the money we had spent

had stopped communism, but it has not, and the people I represent are concerned about spreading ourselves out so thinly all over the world, and I know and they know, that the spending of this country has brought us to economic collapse. You can ruin a country through economic collapse just as easy as you can ruin it through military defeat, and I wonder sometimes whether we are approaching that economic defeat.

Now, the other day we appropriated \$56,000,000,000 for war. Some of the things in the bill we were not told about, but I have since learned there was a lot of money in the bill for Europe and our troops there. My colleagues, there is a limit in our spending. We appropriated some \$7,000,000,000 for air bases, many of them located in and around Europe. A map was published recently showing their locations.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Nebraska.

Mr. BUFFETT. After 3 years of the Marshall plan, has anybody explained why 5,000,000 Frenchmen voted the Communist ticket in June of this year?

Mr. MILLER of Nebraska. I think it is very difficult. In fact, I read in the paper this morning that Bevin of England said "We do not want military aid; we want some \$14,000,000,000 of economic aid for social advances." England insists on trading with Russia. Why do they and this country and those we assist under the Marshall plan send men to fight communism and send military equipment to Communist countries to kill their soldiers?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. Yes, I will yield if the gentleman will give me the answer whether this will stop communism.

Mr. JUDD. The fact is that communism has been stopped in Europe. If it had not been for the aid we gave Greece in 1947, they would have gone under Communist rule that year, and Italy and France, as well. There is not a European, I think, who will dispute that statement. The fact that all of the problems in these countries have not yet been solved does not alter the biggest and most important fact, namely, that these countries are today free and independent and they could not have been, without the aid America has given.

Mr. MILLER of Nebraska. How about China that the gentleman represented? Did we save China? Of course, we did not. We have not saved any of these countries, and the gentleman knows it. Communism marches on, we may have made no friends.

[Mr. JUDD addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. RICHARDS. Mr. Chairman, I rise for the purpose of ascertaining whether some agreement cannot be reached upon limiting debate on the Fulton amendments, and all amendments thereto. I understand from the leadership, it is hoped that we will complete

debate on this bill tonight. If that is to be done, we have to be little realistic on the matter of time.

Mr. SMITH of Wisconsin. The gentleman referred to the Fulton amendments. Does the gentleman mean both amendments—on the economic and military aid?

Mr. RICHARDS. Yes; and, of course, that would include the gentleman's amendment in the nature of a substitute.

Mr. SMITH of Wisconsin. I thank the gentleman.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on the Fulton amendments, and all amendments thereto, close in 30 minutes reserving 7 minutes for the committee on this side.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The gentleman from Indiana [Mr. BRAY] had been recognized before the limitation of time.

The gentleman from Indiana may proceed.

Mr. BRAY. Mr. Chairman, I was greatly inspired by the remarks of the gentleman from Minnesota, Dr. Judd. There is no question but what every person on the floor deeply desires to help all of the free world to bring prosperity and peace throughout the world. There is no question about that, but naturally there is an honest difference of opinion on this floor as to the best method of doing that and also on the matter discussed by Dr. Judd as to how long America can continue to drain our resources for the benefit of the world. That is a question on which there is an honest difference of opinion.

But there is one matter which has not been touched here in debate.

GIVING AWAY AMERICA

Mr. Chairman, it is high time that the light of truth and reality be disclosed and that we realize the fool's paradise in which we are living. Now I realize that all America would like to see the people of the world happy and prosperous. But for a moment let us face facts.

In your home town, if the citizen who is deepest in debt continued giving much money to those owning less than he, he would be taken before a sanity commission. Today in our United States we have a per capita debt of practically \$1,700—that means that every man, woman, and child has upon him a burden of \$1,700—for Government expenditures. Now that is the largest per capita debt of any country on the face of the earth. I want you ladies and gentlemen, to ponder on that fact—we have voted indebtedness upon our people as no other country has dared to do. We have plunged our own fellow citizens deeper into individual obligation of debt to our Government than any other nation.

Yet today we are being asked to appropriate \$8,500,000,000 for the aid of foreign countries each of whom has a smaller per-capita debt than we have. Our administration tells us that the same amount will be asked each year for a period of 3 years, making a total of around \$25,000,000,000.

In my district there are people living in hovels; there are the needy aged; there are those who are ill; there are those that do not have enough food. Then, too, there is a scarcity of hospitals. We have many bad roads. We have schools that are totally inadequate to train the children who must enroll this fall. Yet in rough figures, the Government is asking each of the 11 counties in my district to contribute on the average approximately \$2,000,000 this year to give to foreign countries. On a 3-year basis, they would be an average of \$6,000,000 per county.

We have already given away and loaned roughly \$115,000,000,000. Of course a portion of this was for lend-lease, but a goodly part has gone to countries that are our enemies and are helping to kill our American boys. It is difficult to figure just how much we have given away. For instance much ammunition that was supposed to be given to Nationalist China was instead dumped in the Bay of Bengal.

Indiana's share of the \$115,000,000,000, plus the \$25,000,000,000 for which the administration is asking, would average approximately \$33,000,000 for every county. That is more than the assessed valuation of some of my counties.

Lenin one time said that they need not worry too much about America, for it would spend itself into ruin. How true was his statement. And a considerable portion of that spending has been given to Russia and its satellites.

While we have been spending this money, as we say, to stop the advance of communism, Russian imperialistic communism has increased from the control of some 200,000,000 people to more than 800,000,000 people. While we were giving away billions to stop communism, communism has increased 300 percent. It looks to me like there must be something wrong with the way we are trying to check it. It is like trying to reduce by eating candy and whipped cream.

I want to make it clear that I am in favor of helping the peoples who need help in the world. I am in favor of helping them to help themselves. That is the American way. But this entire plan is too unrealistic and impractical.

Today we are being asked to vote \$8,500,000,000 for this year alone to be given to foreign countries generally. Yet the burden of indebtedness stares every one of our citizens in the face—a burden greater than is given to any other people on this earth.

All of this give-away program sounds to me like more of that "America-laster" propaganda. I cannot subscribe to it.

(Mr. BRAY asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from California [Mr. SCUDDER] is recognized.

(Mr. SCUDDER asked and was given permission to revise and extend his remarks.)

Mr. SCUDDER. Mr. Chairman, this is the third time since I have been in Congress that we have been asked to appropriate money for the ECA and for

European aid. The first time, in 1949, the administration requested a gigantic sum and the committee cut that appropriation. Then, on the floor, we cut the appropriation by \$600,000,000. Last year another amount was asked and the committee reduced that, and we reduced it on the floor by \$250,000,000. Each time there has been millions of dollars unexpended and left as a surplus.

I have a letter which concerns me very greatly. I feel that we should in some way endeavor to keep some of our money at home to sustain our own economy.

This letter reads as follows:

UNION LUMBER Co.,
San Francisco, Calif., August 13, 1951.
Hon. HUBERT B. SCUDDER,
House Office Building,
Washington, D. C.

DEAR HUBERT: The following is quoted from the August 10, 1951, issue of the Trade Review of the Timberman, Portland, Oreg.:

"UNITED KINGDOM-RUSSIAN TIMBER DEAL:
250,000,000 FEET PLACED

"It is reported from London that the United Kingdom has contracted for the delivery of 126,664 standards of lumber from Russia, with option to increase the amount by 50 percent by the end of August. A standard is 1,980 feet, making this volume equivalent to 254,755,520 board-feet.

"The price is understood to be £96 per standard (\$268) and freight 500s. per standard (\$70).

"It is stated that nine vessels will lift 70,000 standards from Archangel and the balance will come from other Russian lumber ports.

"No new United Kingdom orders have come to Canada or the United States of America in recent weeks. It is reported that British Columbia is considerably behind in her delivery schedule of United Kingdom purchases owing to the adverse logging season occasioned by the prolonged spell of fire weather."

It looks as though Great Britain is using our money to purchase large quantities of lumber from Russia. You will note that no United Kingdom orders have come to Canada or the United States in recent weeks. British Columbia may not have wanted the business because of the prolonged spell of fire weather they have had, but the business would have been a godsend to sawmills on the Pacific coast of the United States of America, whose order files are diminishing rapidly and who have been substantial contributors towards funds which have been loaned or given to Great Britain by our Government.

Sincerely yours,

OTIS R. JOHNSON.

The lumber situation in this country is being hampered greatly through Great Britain's purchase of all their lumber during the past few weeks from Russia. In the last 4 weeks there has not been a shipload of lumber leave this country for England. They are buying it from Russia and allowing lumber to pile up in both Canada and the United States.

We have tried to have expended on a harbor in my district \$140,000 which would permit ships to go into that harbor and go out fully loaded, but we cannot secure the money to do that comparatively small job to sustain our economy. At the same time, we have demand for lumber shipments from Humboldt Harbor but the harbor channels have not been deep enough for us to fully load and send out the cargoes.

I feel we should reduce this appropriation and spend some of the taxpayer

ers' money here at home. The American taxpayers are paying the bills. Approximately \$4,000,000,000 of previous appropriations are still available and unexpended for carrying on this program for support and to rehabilitate these European countries, if this is possible, with American taxpayers' dollars. How far can we go without a financial collapse of our own country and the destruction of the only country capable of stopping the communistic supremacy of the world? If we cannot keep our people working and support our own industries, we may soon find ourselves unable to care for our own citizens, let alone helping others.

The CHAIRMAN. The gentleman from Mississippi [Mr. WILLIAMS] is recognized.

Mr. WILLIAMS of Mississippi. Mr. Chairman, not since 1948 have I taken the floor to oppose these international raids on the United States Treasury, although I have consistently voted against them. Since that time I have become thoroughly convinced that no nation can successfully oppose communism by supporting socialism. With this in mind, I challenge anyone here to deny that we are supporting Socialist governments in Europe. There is not a single democracy in Europe. Everyone of those governments more nearly resembles the Communist form of government than our American form.

In sending \$7,500,000,000 of our arms, commodities, and production to Europe we will be taking a double-barreled shot at our own domestic economy. First, we will be draining \$7,500,000,000 of our production out of the United States, thereby creating shortages here which will keep our supplies from meeting the demands of the buying public. That is, in itself, inflationary; failure of supply to meet demand causes prices to go up. That is not all: We will be printing an additional \$7,500,000,000 in currency and flooding it back in this country, adding to the money already in circulation, inevitably causing more inflation. By everyone of these foreign-aid bills that we pass, we further devalue the American dollar. If the European people do not have faith in the soundness of the American dollar, they will, by the same token, lose faith in America's ability to defend herself.

Our security rests in the strength of America—our people, our resources, our Government, and our economy.

The CHAIRMAN. The gentleman from New York [Mr. REED] is recognized.

(Mr. REED of New York asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, it is always inspiring and stimulating to spend other people's money, and that has become a habit in this Congress of the United States. I cannot speak for the people in other congressional districts, but I know that my people with these huge taxes are getting fed up with this idea of supporting these foreign nations which have existed for the last two thousand years. Why, we even have a road commission in India; think of it. Paying for that.

But I am thinking today of the money that we are sending over there to support our own people who are going over there. Take the Federal employees who are sent abroad: Free Government transportation for themselves and their families. They are allowed to take overseas their personal belongings, including cars, at Government expense. Medical attention is free. Housing is located for them in the area in which they are assigned at a very low rental.

Here are some of the fancy titles that these men and women employed abroad use when signing their pay checks drawn on Uncle Sam.

Specialist in higher education; entertainment control specialist; organization and methods examiners; organization analysts; employee suggestions specialists; sociological research analysts; social workers; welfare advisers; monuments and fine arts advisers; social economists; youth activities specialists; international affairs specialists; working conditions examiners. Listed are the civil classifications, the salary earned in their jobs previous to their present assignment to a foreign job and the salary being paid to them by the Government and relief in occupied areas. Let there be no delusion that these New Dealers in foreign jobs are imbued with a burning love for their fellow men and are making a sacrifice in salary to serve them. Here is a list of the salaries which persuaded New Dealers to grab these foreign assignments:

Industrial specialists, formerly earned \$4,300, present pay abroad, \$10,000; statistician, formerly earned \$2,280, present pay abroad, \$8,887; labor economist, formerly earned \$3,700, present pay abroad, \$7,381; information specialists, formerly earned \$3,880, present pay abroad, \$10,000; business economists, formerly earned \$3,934, present pay abroad, \$10,000; management specialists, formerly earned \$3,400, present pay abroad, \$10,000; social workers, formerly earned \$2,400, present pay abroad, \$7,381; welfare specialists, formerly earned \$5,900, present pay abroad, \$10,000; business analysts, formerly earned \$2,600, present pay abroad, \$9,177; social work planners, formerly earned \$5,600, present pay abroad, \$10,000.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Chairman, I did not intend to speak on this measure because, with a limitation of 4 hours' general debate, like a great many members of the Foreign Affairs Committee I had hoped more time would thereby be available to other Members who desired to speak their piece on this momentous legislation. I wish to call to the attention of the membership that although the legislation was reported by the committee unanimously—less than one-half of the committee members have taken time during debate. Further, only 14 of the Foreign Affairs Committee members have thus far spoken on this legislation.

After 31 days of very arduous sessions and hearings by our committee, after the sincere job that our committee has done

in studying every possible cut in the authorization involved in this particular bill, and then listening to some of the debate and argument that has been presented yesterday and today, I could not help but take this time to comment on some of the statements that have been made. I feel just like the gentleman from North Dakota [Mr. BURDICK] that if you have something on your mind it is a sin if you do not speak your piece.

Accusations were made that since the Denfeld case our military officers are restrained and limited in their testimony before committees. Implications were made that the opinion expressed by the Government and military witnesses were not their own. In other words, they were told what to say.

In my humble opinion, nothing could be further from the truth. In open and in executive hearings the witnesses were very frank and thorough in their presentations. I have no recollection of any witness being reluctant to give his views regardless of whether it was in conflict with the executive department.

Certainly some testimony for security reasons was withheld. Some details were withheld from committee members, and they should not be criticized for such precautions. Only too vivid are the recent transgressions of secrecy on security measures by certain irresponsible Members of Congress. There should be no doubts in our minds of the responsibility which is ours today. If we question the testimony of our military as being dictated by the administration, I ask the members of the committee to read the testimony presented by representatives of private organizations. Please refer to the testimony, among others, of Hon. Paul Hoffman, of the Ford Foundation; Hon. Nelson Rockefeller; Hon. Tracy S. Voorhees, vice chairman, Committee on the Present Danger; and Mr. Boris Shishkin, economist, American Federation of Labor. They have urged our committee to go even further than it did in connection with this particular phase of the mutual-security program.

Mr. Chairman, it is not a pleasant task in these days of stress to voice an opinion in favor of an appropriation. True our financial obligations are enormous; we must take great care and precaution not to overbalance our economy.

No one will deny that \$7,800,000,000 is a tremendous amount of money. We must remember, however, that this money is not being wasted, but used to combat communism. It is much cheaper, as we have learned, to try to stop this enemy through advance preparation, consisting of the building up of our and our allies' economic and military strength than it is to accomplish this through fighting.

The Korean War—one instance in which we were forced to stop Communist aggression by force of arms—has so far cost us an estimated \$5,000,000,000. This does not include the irreplaceable loss of lives, the unmeasured sorrow and suffering brought to families of those men who died in battle, nor the destruction inflicted on the Korean Republic.

If we can stop communism through other methods than direct fighting—specifically through our cooperation with the free peoples all over the world—each dollar of our expenditures is worth its weight in gold. If we can manage to avoid world war III through strengthening our allies, we will most certainly be saving ourselves, in the long run, many times the amount which we shall authorize for that purpose today.

If the charges that China was lost because our country has given too little, too late, may well be repeated if we shall be negligent by giving too little, too late to our allies now. Ours is a momentous action—we must search our conscience with all sincerity in considering any reductions as proposed by the Fulton and Smith amendments.

I should like to quote from the testimony of Gen. George H. Olmstead, page 1209, of the hearings:

Our program is getting our allies to a state of self-sufficiency, and that is our time target as nearly as we can give it to you (2 or 3 years).

I would say in our decision now about the 1952 program that a material change will invite a series of disruptions of commitments that have already been made to us by our allies. It will open the door to give them an opportunity to do less themselves because of the claim, "Why organize a tank battalion, or why create an armored division, if the equipment is not going to be available?"

I would say in our own self-interest for the over-all period of military danger in which we are, between now and the time when we actually get strong—in our own self-interest or in the interest of attaining self-help from these countries, the speed of accomplishing this program is important.

Further, General Olmstead as well as other witnesses have testified that if the amounts were reduced, such action would disrupt the supply of equipment and greatly endanger the program of General Eisenhower and the effectiveness of his untiring efforts in building Europe to a point where we could withdraw our military manpower and permit their self-sufficiency militarily and economically.

Our danger has not lessened with the brighter outlook in Korea, even if the negotiations at Kaesong should be successful to the extent of cessation of hostilities in Korea. So much the more must we be on guard to serve due notice to our enemies that we shall be ever watchful and prepared and extend every effort to aid our allies in mutual preparedness.

Strength must be met with strength, particularly when a party in question recognizes or respects only strength. I hope the pending amendments will not be adopted.

(Mr. ZABLOCKI asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. NELSON].

(Mr. NELSON asked and was given permission to revise and extend his remarks.)

Mr. NELSON. Mr. Chairman, I have hesitated to speak on this bill as I am not an expert on foreign affairs. I find some encouragement, however, when as I review our history over the past few years I find that few, if any, qualify in that

category. To my mind the question of defending Europe is a question of doing it all or doing nothing at all. We must go all out to meet the projected Soviet deadline or do nothing at all. This bill is admittedly inadequate for the first purpose. It appropriates too little to do the job. It tells Soviet Russia that we will not be ready for 3 years and just how much we are going to appropriate in each year. The gentleman from Massachusetts [Mr. KENNEDY] was eminently right when he said rearmament in Europe was proceeding so slowly that it was an incentive rather than a deterrent to war. As such this bill is not only dangerous but utterly wasteful. It is dangerous as an incentive to war. It is wasteful because when that war comes, before we are prepared, it will mean the loss of our entire investment of manpower and materials.

It has been said that we must take the calculated risk that Soviet aggression in Western Europe will come before we are prepared. On the basis of this bill it is not a calculated risk. It is not even a gamble. It is a sure thing. We have announced to the Soviet Union how much we are going to spend, what we are going to do and when we will be ready for them. What would we do if Soviet Russia announced a 3-year program for arming and installing air bases in Canada and Mexico? Would we wait for the program to be completed?

This bill is dangerous as a public announcement to the Soviet Union of just what we can do and when we plan to do it. It is a dare to them to attack. For the past few weeks we have heard much about the necessity for secrecy in appropriation bills in the interests of national defense. In response to that argument we have sacrificed the inherent right in a republican form of government of open facts and open discussion. We have just passed a defense appropriation bill involving \$56,000,000,000 and few, if any of us, know where all that money is going. Certainly in the national interests the need for secrecy is far greater in this instance than it is in any other. If we were really wise we would pass an authorization bill for twice the amount of this bill and bury the actual appropriation among all the other undisclosed, untraceable billions in the defense appropriations bill. If there was ever a need as far as Russia is concerned to take our thumb off of our nose and hide it behind our back it is here.

Instead of that this provision for military aid openly tied in with the point 4 program and economic aid to European and other countries. In the face of dire national peril we are faced with a political expedient that fears that economic aid will fail if not sugar-coated with the necessities of defense.

Although this bill has to do in large measure with military matters a new and expensive government agency is created to administer it. This is with thanks to a complete distrust of Mr. Acheson on the part of Republicans and Democrats alike. A great deal of money could be saved by putting its administration in the Department of Defense where it undoubtedly belongs.

Much has been said in this debate about America's productive capacity. That productive capacity is useless unless we have the raw materials on which to work. Much has been said about the tax dollar and its waste. If it was only dollars that we were giving away it would be easy. These days they are quickly printed and are worth only 44 cents. But it is not dollars we are giving away. It is irreplaceable American natural resources in terms of iron and steel and forests and top soil. Much has been said that this is a struggle for the minds of men. To be realistic it is more basic than that. This is a struggle for access to or control of the raw materials that make freedom and our standard of living possible in this present-day world of materialistic values. Already America imports over 70 percent of the materials that go to feed our industrial machine. According to the best estimates the great Mesabi range that supplies most of our iron ore has but 10 years left. True we must protect our sources of supply. But there is not one that we can waste. Especially on such a poor and well-announced gamble as this bill represents.

It is time that we dropped all compromises. If we are going to defend Europe and all our sources of raw materials let us say so and get ready to do it on the terms of a wartime economy and wartime sacrifice. Let us tell the American people the real facts not fairy tales about "good old Uncle Joe." This bill as well as the proposed Republican amendments reducing it in amount are equally ineffective and futile. This bill is typical of our foreign policy over the past years. It is too little and too late. It has been a foreign policy that has been timid, undetermined, and vacillating. It has been a foreign policy that is neither fish nor fowl nor good red herring although it is reminiscent of the odor of each in the later stages of putrefaction.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mrs. ST. GEORGE].

(Mrs. ST. GEORGE asked and was given permission to revise and extend her remarks.)

Mrs. ST. GEORGE. Mr. Chairman, I, too, hesitate to speak on this bill which I know has had a great deal of time, thought, and intellectual honesty spent on it by the Committee on Foreign Affairs. But there are two things I would like to bring to the attention of the House because they seem to have been rather neglected.

First of all everyone who has spoken on this measure has done so as though this were the only money that has been appropriated for defense. It seems to me that I remember within the last week voting for roughly \$62,000,000,000 for defense and for installations at home and abroad. If the so-called free world cannot be defended and cannot be maintained for \$62,000,000,000, I submit to you that it cannot be sustained or maintained at all.

Secondly, we seem to be arguing on that same old premise that has always failed, that in order to have peace we must rattle the saber and wage war. I lived in Europe for many years during

my youth. I saw armament race after armament race, and every time it was carried on in the name of peace, but there was no peace.

I submit to you that instead of going on constantly throwing more money away in the name of peace, while we build for war, it would be better to turn and look back at history and to realize some new way must be found, perhaps some spiritual way, because all else has failed. It is time for our country, indeed, to assume leadership, but our leadership so far seems to me to have been a failure. It has been a failure, because we are not leading, but following a pattern that has always failed.

Russia has never fought outside her own border; that is history. She lets her adversaries carry the war to her and then devours them. I hope we are not going to fall into that trap.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. SMITH of Wisconsin to the second portion of the amendment of Mr. FULTON: On page 3, line 16, subsection (2) strike out "\$1,335,000,000" and insert "\$663,000,000."

Mr. SMITH of Wisconsin. Mr. Chairman the purpose of my amendment is to cut the economic aid conveyed in this bill \$672,000,000. Now I know that that sounds like a lot of money. I call your attention to the fact that on the 30th of June this year there were unexpended funds in the ECA account of \$1,698,000,000. I suggest to you that in view of that fact certainly a small cut of \$672,000,000 leaves a substantial amount in that account.

Mr. Chairman, I call attention to the fact further that in the matter of military aid, as I pointed out before and I now stress it again, that as of that date, June 30, 1951, there was \$4,782,300,000 in the military account. Now then, why are we concerned about a small cut of \$238,000,000 as contained in my amendment?

I submit that in the matter of cutting ECA funds, the countries of Europe are producing today 44 percent more than they did in prewar. Their export trade is 157 percent over what it was in 1938. I suggest that that is sufficient evidence to indicate that those countries in Europe can produce without all of this money for ECA aid. The cuts I have suggested in my amendments are in our national interests. We cannot keep spending as we are doing in this session of Congress. The Democrats have the responsibility for the global spending programs.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. STEFAN].

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. In addition to what the gentleman from Wisconsin has said regarding the funds, there is \$1,700,000,000 worth of counterpart funds that are

still unused from previous years. These can be used either for military aid or economic aid, so there are plenty of excess funds.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, the amount originally requested has already been cut by a substantial margin because of limitations on United States productive capacity. Our military witnesses pointed out that the amount of aid which was originally calculated on the basis of military requirements has already been reduced by over \$1,500,000,000 because of the limitations of productive capacity in the United States. They have told the committee that the military build-up for defense against Russian aggression is needed now, not 2 or 3 years from now, and that they would have asked for a much bigger sum for this program if it were actually possible to turn the money into tanks, guns, and planes fast enough. In other words, the aid figures have already been sliced. If we cut the program still further, let us not fool ourselves that the cuts can be absorbed without serious damage. Less money is going to mean smaller armies and less efficient armies. It is also going to mean further delay in building up our strength to face the Soviet threat. It means that we will be wasting the most precious thing we have now, and that is time.

Mr. Chairman, in summary, cuts in programs mean a slow-down on both sides of the Atlantic with only Russia being the gainer. General Gruenther has estimated that the adoption of proposals to spread this program over 2 years would mean the loss of 15 divisions from the number which we plan to have ready by the end of 1952. In time of crisis this could mean the difference between the survival and the destruction of the entire free world. In other words, we have power by our vote here in the Congress to wipe out in a single instant a fighting force more than 10 times as large as the Chinese Communists have yet been able to kill in Korea and to achieve this result without the loss of a single Communist soldier. We have the power to hand Russia, on a silver platter, the easiest victory it has ever won. But, whatever the Russians may hope to accomplish by their "peace talk," I do not think we are going to fall into that trap. When American boys are still fighting and dying in Korea, I do not think the Congress or the American people are going to stand for making Russia a gift of 15 powerful allied divisions.

(Mr. MANSFIELD was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. HAND].

(Mr. HAND asked and was given permission to revise and extend his remarks.)

Mr. HAND. Mr. Chairman, this bill is the latest edition of the administration's foreign-assistance program. The President asks for \$3,500,000,000 to be distributed all over the world largely at his discretion. In addition to these cash

authorizations, the bill also provides for spending all moneys heretofore appropriated, which the administration has not been able to spend yet, despite the best efforts of its expert spenders.

That is not all. Secretary Acheson tells us this is only an installment on a 3-year program involving at least \$25,000,000,000. You may be sure that other 3-year programs will follow.

That is not all. The distinguished chairman of the committee informs us that since the war—excluding, of course, all lend-lease and other programs—since the war we have expended on our principal foreign programs nearly \$20,000,000,000.

Foreign aid alone, between VJ-day and the end of fiscal 1952, will have totaled about \$27,000,000,000. The cost to the people of my State alone is about a billion, enough to run our State government between now and 1960.

For 7 years I have been seeking, impartially, I hope, to find a realistic justification for this fantastic flow of our money and materials.

We were told that if we loaned the British \$4,000,000,000, we would stabilize that great power, and insure peace. Did it?

We were told then if we adopted the Marshall plan, that would stabilize England, and all of Western Europe, and that this surely would establish peace. Did it?

Are we closer to peace now than before we spent the twenty billion? If we are, why this year's program of seventy billions to prepare for war?

Mr. Chairman, the careful skill with which this bitter medicine has been fed to us in gradual doses is fascinating. First the British loan. Loan, mark you, not gift; and to Britain alone. Next the Greek-Turkey gift, which ushered in the so-called Truman doctrine.

This was represented to us as a unique case, only costing four hundred million. On May 7, 1947, in the course of the debate, I warned that the so-called unique case would "start America on a dangerous journey, and imperialistic adventure to every plague spot in the world." I think events have justified that foreboding.

Then came the Marshall plan. This was to be the cure-all in 4 years. Then came a trifling billion for arms aid. Then Mr. Truman suggested, in his inaugural message, a small shot of technical assistance to backward countries—the point 4 program.

Now, having conditioned the press, the people, and the Congress to all of this, we have the whole works in this bill, admittedly the start of a \$25,000,000,000 program.

ECONOMIC AID

Economic aid goes on and on. And right on top is the unique case, Greece, still on the payroll. And who are the other powerful allies the committee is helping? Austria, Iceland and Trieste.

But no longer do we confine aid to Europe. No longer are we timid about point 4.

Title 2 takes care of the Near East and Africa to the extent of \$590,000,000. Here we have extended our world-wide

generosity to Liberia, Ethiopia, Egypt, Libya, Lebanon, Syria, Iraq, Jordan, Saudi Arabia, Yemen, and Iran.

We by no means stop there. Title 3 goes on to take care of Asia and the Pacific, including Korea and the Philippines. In a startling reversal of form, the administration now includes Formosa. Indochina, itself in the midst of a colonial war, is not forgotten, nor are Thailand and Malaya; nor of course is India, which spends most of its time fighting us, in the United Nations, and the rest of its time threatening war on Pakistan. Of course, we are helping Pakistan too.

In order to make the program completely world-wide in scope, the committee finally tossed in \$40,000,000 for South America, although if the true interests of the security of this country were considered, our neighbors to the immediate south would lead the list. The bill winds up with some miscellaneous items to start rehabilitating the Korea that we are destroying, and there are a few scores of millions for Arabian refugees.

Mr. Chairman, it was not long ago that we were scorning poor Henry Wallace for his plan that came to be known as a quart of milk for each Hottentot. We have long passed that stage. We are not only providing the milk, but machinery to make the bottles, the milk wagons, and cement roads for its transportation. Heaven knows, we could use some more roads in this country, and heaven knows, that in spite of a high level of prosperity, there are many millions of American kids a little short of milk themselves.

MILITARY AID

Military Aid for Western Europe is a far more appealing subject, but it is discouraging to observe on page 14 of the committee report that we are concerning ourselves with Belgium—army 105,000—Denmark—army 27,000—Luxemburg—army 2,000—The Netherlands—army 100,000—Norway—army 32,000. It is more discouraging to note that in rare cases do any of the European countries have compulsory military service half as long as ours.

France, upon whom we must particularly rely has finally increased its 12 months conscription to 18, but its whole professional army is fighting in Indochina, and its parliament is about one-third Communists. We still limit Italy by peace treaty to 300,000 troops, and so far as my latest information goes, Western Germany, without which the defense of Europe is quite impossible, wants no part of it.

This entire program is argued as a build-up, that time is on our side, and that if given enough time we can build defenses to successfully resist the feared attack by Russia. It has never been explained to me why, if Russia intends to attack, it is going to be kind enough, and forbearing enough, and soft-headed enough to sit by and wait until we are ready.

Deliberately in some quarters, unconsciously in others, Russia has been built up as a world-conquering ogre, which has our leaders trembling in their boots. While I have no confidence in the good intentions of the Kremlin, I see no evi-

dence that the Russian leaders are stupid, and stupid they would be if they entertained the slightest intention of a military attack on this country. Of course, if we look for war all over Asia, we will probably get it.

Mr. Chairman, just last week Congress appropriated over \$60,000,000,000 for building up our own defenses. We already have a Navy more than equal to the world's combined navies. We have now, and certainly will have in the immediate future, an Air Force on which we can fully rely. Our Army is capable without the slightest difficulty of resisting the invasion of the Western Hemisphere from any quarter and it will remain so capable if it is not dispersed all over the world.

Our industrial strength is unequalled. We are responsible for 45 percent of the world's industrial output. Russia produces 10 percent. But, as strong as we are, we cannot carry the world on our back. We can, however, if we only will, take excellent care of ourselves and at the same time participate in any reasonable world program for our fellows.

Mr. Chairman, there should be reason in all things. Our present program is getting altogether out of bounds. For example, I have consistently supported all efforts to help and strengthen the United Nations as a world program for peace. I do not regret this, although the results have been disappointing. But I do regret, and I shall continue to oppose a unilateral effort on the part of the United States alone to support with both guns and butter all the rest of the so-called free world, and most particularly so while their concepts of freedom and the democratic process are not remotely close to ours.

I realize the utter futility of opposing the present bill. I am aware that it might be very unpopular to do so. I must, however, vote my conscience. I am sincerely convinced that the welfare of America is being destroyed rather than served by our foreign policies and I am very fearful that the history of the next 10 years will prove it, unless sometime, by some happy miracle, we come to our senses.

I conclude by saying that any program to help others must appeal to our best humanitarian impulses. I have a right to contribute any of my property for these purposes, if I choose. But I seriously doubt that I have either the moral or legal right to contribute the money belonging to the people I represent. I shall refuse to do so, and oppose the bill.

Mr. TOWE. Mr. Chairman, I have read the excellent statement just made by my colleague, Mr. HAND. I am in thorough agreement with the viewpoint which he has expressed.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I regret that there is not opportunity to discuss the full implications of the amendment just submitted by my good friend from Wisconsin [Mr. SMITH]. I know that a good many people think we ought not to cut the military provisions of this bill but it is all right to cut the economic.

I am sure that is a grave error. The economic assistance provided in this bill is not the economic-recovery program. That finished its job last February except for Greece, Trieste, and Austria. Strictly economic recovery which was the job of ECA would be substantially achieved in the other countries by the end of this year. The economic assistance in this bill is largely a part of the rearmament program. We are trying to build up production capacity in Europe, and that requires plants and raw materials and tools and transportation and power and so on. If we do not give this economic assistance, which would enable them to build plants, and to get the materials and the tools and to build up their transportation and power, then Europe cannot produce enough arms as scheduled and we will be faced with two alternatives. Either, we will have to lengthen and drag out the period of rearmament which, as the gentleman from Massachusetts [Mr. KENNEDY] has pointed out, is the most dangerous course to follow; or we will have to send more of our own arms, and thereby weaken our own defense forces. Surely, to cut the economic aid part of this bill is to take the worst possible course, forcing us either to lengthen the period of weakness and peril in Europe or to drain our own domestic armaments. I wish we had the time to discuss these charts which I now show to you. They show how a little over \$500,000,000 of economic aid that we give to Europe can increase their military production by almost a billion dollars. So instead of \$1 worth of arms we get for each dollar that we put into a plant in Pittsburgh or Detroit, we can get \$2 worth of arms if spent in the countries to be helped.

Look at this other chart for major matériel procurement. Two hundred and ninety-five million dollars of our economic aid will produce in European factories \$892,000,000 worth of arms. If we spend it for arms here, we get one for one. If we spend it there, in the form of economic aid in support of defense production, we get back three for one in major items. Surely that is what we are after. So I urge that if there are to be cuts, it would be better to make them on the military aid features than on the economic features because we will be hurting ourselves worst, and endangering our solvency most if we cut further the economic aid.

The CHAIRMAN recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, may I be informed when I have used 3 minutes of my time?

Mr. Chairman, in the closing minutes of debate on this very important amendment, which really cuts the heart out of this bill, because title 1 is the heart of the bill, I want to say I would not be here today opposing this amendment, if I did not feel that my opposition is in the interest of the United States of America which all Members on both sides of the aisle love so well. Much has been said here about economy; much should be said; and much still remains

to be said. I challenge anyone to prove that my record in this Congress is not one of economy. But when we talk about economy, and when we consider the \$56,000,000,000 bill which we passed here a few days ago, with hardly a word of opposition, I imagine the House was considering what it would really mean if this great country of ours became involved with a war with Russia. The most conservative estimate of the cost of such a war has been that it will cost \$1,000,000,000 a day. If that war should last 2 years, with the destruction that can be brought by atomic weapons, the cost could easily be \$7,000,000,000 a day, and the result could wreck the economy of this country utterly beyond redemption. It is in the light of that situation, I am sure, that the Congress has without a murmur passed bills here for the defense of America. I believe the Congress will pass this bill; when the Members reason with themselves, they will know that what we are asking here is just as truly a part of the defense forces, and is just as surely dedicated to the security of America, as any like sum in the defense bills that we have heretofore passed.

Members of the House, stop, look and listen. Kill this bill, if you want to, by these amendments and by other drastically crippling amendments, but let the people of America know—let them know that you put your hand to the plow in Europe and you put your hand to the plow all over the world, but you are turning back right here just when we are ready to break the backbone of communism militarily and economically throughout the world.

The CHAIRMAN. The gentleman from South Carolina [Mr. RICHARDS] has consumed the 3 minutes.

Mr. RICHARDS. Mr. Chairman, I yield the balance of my time to the distinguished Speaker, the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman and my colleagues: I would not impose myself upon you at this hour, or any other hour, if I did not feel very deeply that we might make a mistake here this afternoon.

This debate recalls debates in which I indulged in 1939, 1940, and 1941, when many men said: "Why continue the draft? We do not need an army. We are safe from attack from within or without." We extended the draft by a majority of one vote. If we had not extended the draft, those drafted men who had taken their places in the companies, in the battalions and divisions, would have been taken out before we were struck at Pearl Harbor. The world thought we were weak. They knew we were, in men and materials, and we were struck. Talk about money. In less than 5 years we expended \$350,000,000,000, shot away and burned up materials that could have been used for the arts of peace for half a century.

In addition to that, thousands upon thousands of our youth died or were mangled for life. Is the risk worth \$500,000,000 that these amendments may strike from this bill? Think about it.

It has been my duty to vote twice in my lifetime to declare that the United States was at war. I trust I may never

be called upon to do that again; but if I am I want to look my fellow man in the face and say to him, "I did the things that I thought would make my country strong enough, and those allied with it strong enough, that no international desperado or despot or totalitarian would dare attack my country or those allied with us."

Think it over. Five hundred million dollars compared with three hundred and fifty billions, and if a war comes, because somebody thinks we are weak or our allies are weak because we have walked out on them, in less than 5 years it will cost this country \$500,000,000,000, and probably wreck the economy of the world and destroy the civilization that we love so well.

The CHAIRMAN. The time of the gentleman from Texas has expired.

All time has expired.

The question is on the substitute to the first part of the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The question was taken; and on a division (demanded by Mr. SMITH of Wisconsin) there were—ayes 132, noes 162.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Pennsylvania.

Mr. KENNEDY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KENNEDY. Has not that amendment been divided?

The CHAIRMAN. The gentleman is correct. We are now considering the portion of the amendment that deals with the military title.

Mr. FULTON. Mr. Chairman, I ask unanimous consent that the amendment may be again read by the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. FULTON: Page 2, line 22, after section 101 subsection (1) strike out "\$5,028,000,000" and insert "\$4,828,000,000."

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 127, noes 166.

So the first portion of the amendment was rejected.

The CHAIRMAN. The question now is on the substitute offered by the gentleman from Wisconsin [Mr. SMITH] to the second portion of the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The question was taken; and on a division (demanded by Mr. SMITH of Wisconsin) there were—ayes 132, noes 159.

So the substitute was rejected.

Mr. SMITH of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RICHARDS and Mr. SMITH of Wisconsin.

The Committee again divided; and the tellers reported that there were—ayes 135, noes 167.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

There being no objection, the Clerk read as follows:

Amendment offered by Mr. FULTON: Subsection 2, on page 3, line 16, strike out "\$1,335,000,000" and insert "\$1,035,000,000."

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 144, noes 159.

Mr. FULTON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. FULTON and Mr. RICHARDS.

The Committee again divided; and the tellers reported there were—ayes 146, noes 149.

So the amendment was rejected.

(Mr. TOWE asked and was given permission to extend his remarks immediately following the remarks of the gentleman from New Jersey [Mr. HAND].)

Mr. KEOGH. Mr. Chairman, I offer an amendment, which is on the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. KEOGH: On page 3, line 1, after the word "Europe", insert the following "including Spain."

(Mr. KEOGH asked and was given permission to revise and extend his remarks.)

Mr. KEOGH. Mr. Chairman, one could not have listened to the debate today without having a consciousness of the seriousness of the days through which we are passing, and of the great and diligent efforts that have been expended by our great Foreign Affairs Committee, on both sides of the aisle. I pause, therefore, to pay my humble commendation and respects to them and to their distinguished chairman for the great work that they and he have done in behalf of the people of the United States and of the world. Their labors will be enshrined in the pages of history and will be long remembered by the free people everywhere.

Therefore, Mr. Chairman, in the same serious vein I offer this amendment without any sense of capriciousness nor frivolity. I rather do it because you and I know that the art of dialectics and geopolitics are such that times come when you and I use terms that we well understand and which we expect every other reasonable man to understand, but to which words entirely different meanings are imputed.

We are founding and strengthening this program with the hope and the future of the world. Mr. Chairman, we are in this program seeking to insure the safety and the security not only of the United States but of the civilized world, wherever those countries may be; and we who have had any interests in the normalizing of relationships between our great country and the great and historic country that occupies the obviously strategic Iberian Peninsula find it increasingly difficult as we look at a map of the NATO nations, as we look at a

map of Marshall plan nations, to explain to ourselves or to any other reasonable man the exclusion of that portion of the Continent of Europe. Great strides have been made in the normalizing of those relationships, strides that I predict will inure quickly and permanently to the best interests of the United States. But, Mr. Chairman, it is not enough for us to be told informally that "Europe" means "Europe," for only last week in another body there was sought to be turned back the progress that you and we have made in the improving of the relationship between Spain and us. Fortunately, that effort did not prevail. So I submit to you that this is an opportunity we have today, as the elected representatives of the people, to say to the world that we are welcoming the friendship, the support, and the cooperation of all those countries that have by their history and by their tradition displayed a willingness, yea, an eagerness to join with us in the liberation and the continued freedom of the people of the world.

We do ourselves a great service today when we say to those who assume to administer this program without delimiting their authority, without narrowing their jurisdiction, that by "Europe," Mr. Chairman, we mean all of "Europe," and I, therefore, urge that the clarifying words of this amendment be adopted. Our military experts have uniformly emphasized the strategic importance to our military that Spain has offered on numerous occasions. They are convinced that Spain is necessary and are further satisfied that Spain will cooperate with us and the rest of Western Europe. I trust the amendment will prevail.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. KEOGH. I yield.

Mr. DORN. I would like to say to the gentleman he is exactly right and that Spain does not have any Communist officers in her air force as is the case in France.

Mr. KEOGH. I appreciate the gentleman's contribution.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, this is the kind of amendment I do not like to oppose. For a long time I have expressed my feeling to the House and to my people that I think Spain should be integrated into the defense plans. I am glad to say that, as evidenced by the trip of the late lamented Admiral Sherman to Spain, a closer relationship between the Governments of Spain and the United States is developing. I am confident that without this amendment Spain will—and should—get part of this military aid. As a matter of fact, under existing law, the President has full authority to transfer as much as about \$500,000,000 of the military funds to Spain and other countries in Europe which may be needed in our defense effort.

Remember, also, Mr. Chairman, that by leaving out Spain by name we are not discriminating against that country, Spain; but if we put in Spain by name, we are discriminating against other nations. We are not mentioning it. This bill does not specify any recipient nation by name. What we want to have in this bill is some flexibility; if each nation scheduled to receive aid under this bill is mentioned, it is going to be much more difficult to get them to exert the effort we would like to have them put forth. Other nations are not mentioned and Spain should not be mentioned.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Ohio.

Mr. VORYS. In spite of the tragic death of Admiral Sherman, were we not told that the negotiations he had instituted were proceeding as rapidly as possible, in spite of the fact we had no such amendment or no such direction?

Mr. RICHARDS. That is right.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is the House to understand from the gentleman's remarks, then, that Spain will be taken into consideration in the administration of this bill?

Mr. RICHARDS. I have no definite assurances of that, but it is my understanding that Spain will be taken into consideration. I have talked to no military man who does not want Spain taken into this program, and I assure the gentleman from North Carolina that so far as the chairman of the Committee on Foreign Affairs is concerned he will take that attitude.

Mr. COOLEY. Does the gentleman understand that there is language contained herein which is comprehensive enough to include Spain in the event we want to do so?

Mr. RICHARDS. There is no doubt about that. If you will look at section 403 (c) of the Mutual Defense Assistance Act of 1949, as amended by this House last year—

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Montana.

Mr. MANSFIELD. I want to say, in corroboration of what the gentleman from Ohio [Mr. Vorys] said, that that is true—the tragic passing of Admiral Sherman in no wise will delay the negotiations now going on with Spain.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that General Marshall told us he thought Spain ought to get aid?

Mr. RICHARDS. Yes.

Mr. JUDD. And did not General Bradley say that he thought Spain ought to get aid and also General Eisenhower? So it is inconceivable that the President of the United States will not take their advice and transfer funds for the aid of Spain.

Mr. RICHARDS. Yes; and I hope the House votes down the amendment.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. KEOGH. Mr. Chairman, I ask unanimous consent that the time of the gentleman from South Carolina be extended for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. I would like to ask the chairman of the Committee on Foreign Affairs whether I am to understand, as he has indicated, that the use in line 1, on page 3, of the word "Europe" that the committee intended that it be Europe as we all understand it to be Europe, including the Iberian Peninsula and the isles off the continent?

Mr. RICHARDS. Well I will say to the gentleman from New York that I cannot tell what the committee understood about the language on the page mentioned. The gentleman from New York has worked conscientiously on this question for a long time. I have been more or less in accord with his idea. The only thing I can guarantee here is that the President does have authority to use military funds for Spain, and that all of the military people who appeared before our committee said that is what they thought ought to be done.

Mr. KEOGH. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BAILEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mr. GROSS. Mr. Chairman, I submit I was recognized on the Keogh amendment.

The CHAIRMAN. That was vacated by the withdrawal of the amendment.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. Gross moves that the Committee do now rise and report the bill, H. R. 5113, back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The question is on the motion.

The motion was rejected.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from West Virginia [Mr. Bailey].

The Clerk read as follows:

Amendment offered by Mr. BAILEY: Page 4, line 8, after the period, insert the following: "No part of any appropriation made pursuant to the authorization contained in this paragraph, and no part of any unexpended balances of appropriations continued available pursuant to the authorization contained in this paragraph, shall be allocated to any country which permits any of its nationals to engage in the manufacture, storage, or transportation, for importation into the United States in violation of the laws of the United States, of any narcotic drug (as defined in the first section of the Narcotic Drugs Import and Export Act)."

Mr. JAVITS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. JAVITS. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

May I be heard on the point of order, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. JAVITS. I hope the gentleman from West Virginia will understand that there is not the remotest desire to interfere with any substantive thing he wants to do about a subject that is close to every Member, including myself. But this is a foreign-aid bill directed to a specific issue. It is a very late hour, and we are all trying to get through with it tonight, and I hope, therefore, that the Chair will hold in this particular connection that this amendment is not germane. I make that explanation in deference to my colleague from West Virginia.

The CHAIRMAN. The amendment offered by the gentleman from West Virginia imposes a limitation and is entirely in accord with the provisions of the act that it is intended to amend. It is, therefore, germane.

The point of order is overruled.

Mr. BAILEY. Mr. Chairman, the purpose of this amendment is clear to all of my colleagues. It, in no way, limits the authorization of H. R. 5113 for military aid to Europe under the provisions of title 1. It does, however, place a definite limitation on the use of funds authorized for purely economic aid under the same title 1.

I have before me an exact transcript of section 1 of the Narcotic Drugs Import and Export Act:

That when used in this act—

(a) The term "narcotic drug" means opium, coca leaves, cocaine, isonipecaine, opiate, or any salt, derivative, or preparation of opium, coca leaves, cocaine, isonipecaine, or opiate; and the word "isonipecaine" as used herein shall mean any substance identified chemically as 1-methyl-4-phenylpiperidine-4-carboxylic acid ethyl ester, or any salt thereof, by whatever trade name designated; and the word "opiate" as used herein shall have the same meaning as defined in section 3228 (f) of the Internal Revenue Code.

You are aware of the shocking revelation of the extent of this growing menace of narcotics to our Nation—particularly to our youth—as these facts have been revealed in hearings of the Senate Crime Investigating Committee.

You have read these reports in the newspapers; you have listened to, or observed, radio and television broadcasts of these committee hearings which prove conclusively the hook-up of this drug traffic with an international crime ring with its center of activities in Naples, Italy, where undercover agents of our FBI have definitely traced this illicit drug traffic to the activities of "Lucky" Luciano, deported former New York gangster, now living in Naples.

I have before me a transcript of the testimony of Mr. Harney, Acting Chief of the Narcotics Bureau, before the Senate investigating committee this past Wednesday, and I read from his testimony. The questions are being asked by the committee counsel; the answers are Mr. Harney's:

Would you give us an estimate of the amount of opium that is produced annually in the whole world?

It's about 2,000 tons.

Could you now give us an estimate of how much of this 2,000 tons is necessary for the medicinal requirements of the world?

About 500 tons.

In other words, a ratio of 4-to-1, you would say?

Right.

The actual output of the world is four times that of the medicinal requirements of the world?

Yes, sir.

Would you now tell us what the principal sources of opium in the illicit traffic are?

The principal sources of illicit traffic in the world are Turkey, Iran, Communist China, India, and Mexico.

Have any of these countries actually taken steps to prevent production of opium?

The production in Mexico is prohibited. That country has made superb efforts to destroy clandestine poppy cultivation by surveying the growing regions with airplanes and destroying the crops, using troops wherever necessary. The production of opium in China has always been prohibited and it is hoped that in a country where it constitutes a grave social danger, there will be no legalization of the traffic.

Could other countries in addition to Mexico and China outlaw the production of opium? Or, have they taken any steps?

Well, most of the opium used in the world for medical purposes comes from Turkey, Iran, and India. For the past 40 years or more these countries have enjoyed a rich opium trade but have shown no disposition to cooperate to the extent of limiting their opium production to the medical needs of the world. Regardless of any world plan to limit production, it is the considered opinion of Commissioner Anslinger, United States representative on the UN Narcotic Commission, that it would be utterly impossible for these countries to compel the licensed farmers to deliver their total opium crop to the Government monopoly.

To make this clearer, we've been discussing the growing countries. Those countries that grow opium. I understand the conclusion of the Bureau of Narcotics to be that the growing of opium cannot be completely and effectively controlled. Is that correct?

That's right. Because there is a vast leakage in Turkey from the growing farmer to illicit sources, there is a vast leakage in Iran, which has a tremendous local opium-smoking problem. The situation in countries of that type is such that leakage from a legitimate to illicit traffic cannot be prevented.

Mr. Harney, these drugs that have been brought in from Italy lately, you consider that a temporary situation?

Absolutely. The ones that some of the witnesses have indicated have come through the Luciano gang.

You think that it's a temporary thing, that it can be stopped? Is that correct?

The Italian Government can control that, and undoubtedly will when the machinery is perfected.

Is the Italian Government working now on controlling it?

They are.

Mr. Harney, do you agree with the testimony that has previously been given the committee that the situation in Italy can be traced to Luciano, or a substantial portion of it. I don't, of course, undertake to say the percentage, just some portion of it.

The indications are, and my judgment is, that that situation is attributable, in part at least, to Luciano.

The question you must decide by your vote on this amendment is shall we continue to use American tax dollars to build up the economy and living standard of the Italian people through our economic aid, and, at the same time, per-

mit Italian citizens, whose activities are known to their Government, to debauch and degrade the American youth through the illicit importation of these drugs into the United States. There can be but one answer and that is the approval of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. BAILEY].

The question was taken; and on a division (demanded by Mr. BAILEY) there were—ayes 35, noes 62.

So the amendment was rejected.

Mr. KERSTEN of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

After "United States" line 8, page 3, strike period and add: "and for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, or the Communist-dominated areas of Germany and Austria, either to form such persons into national elements of the military forces of the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance is important in the defense of the North Atlantic area and of the security of the United States."

Mr. KERSTEN of Wisconsin. Mr. Chairman, earlier this afternoon, the majority leader made the statement that we, and the free world, have to become strong, but that eventually the satellite countries would have to be liberated. I think, unless we arrive at that latter conclusion, we have to look forward only to an interminable garrison state for the entire world. But in order to give some substance to the idea of eventual liberation of the satellite countries, we must begin to take some steps in that direction, and not merely build up the military defenses of ourselves and of the Western World and create only a world military stalemate for many decades.

The purpose of this measure, calling for appropriation of \$7,000,000,000, is because of the Soviet threat. That threat exists because of the enslavement of the satellite states. As long as Eastern Europe is held by Moscow, this threat will continue. This measure, and other measures that we passed, will mean nothing more than an armaments race. So, we must begin to move in the direction of eventual liberation of the eastern nations of Europe. The Achilles' heel of Soviet power in Eastern Europe is the fact that that power does not have any real basis in the people. There are tens of thousands of individuals who would be capable of military service—there are tens of thousands of them in Western Europe who came from the eastern European nations. Think of the great potential for liberty in General Anders' army. Apart from the 25,000 that may come into the American Army, there is no other way practicable, as yet, in which these people can be used.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. KERSTEN of Wisconsin. I yield.

Mr. MORANO. Are they not now recruiting an army of aliens in Europe under a law passed by the Congress recently?

Mr. KERSTEN of Wisconsin. It is my understanding that they may be re-

cruited into the American Army to the number of only 25,000.

Mr. MORANO. Yes, that is what I have reference to.

Mr. KERSTEN of Wisconsin. But, in addition to that, it is my idea that all such people, and there are many times that number, who presently are and in the future could be available for the eventual liberation of Eastern Europe.

Mr. MORANO. Do you mean that your amendment will provide another army of occupation in addition to the ones recruited into the American Army?

Mr. KERSTEN of Wisconsin. It will permit those individuals to be formed into national units.

Mr. MORANO. Behind the iron curtain?

Mr. KERSTEN of Wisconsin. No. In front of the iron curtain; to be attached to the North Atlantic Treaty nations.

Mr. MORANO. I think that is a good idea, and I will support the gentlemen's amendment.

Mr. KERSTEN of Wisconsin. I thank the gentleman. The other day I talked to a high military officer and he said this, that in the event of conflict between East and West Europe and Soviet Russia, in going back into Czechoslovakia, for example, if that became the situation, one battalion of Czechs and Slovaks would be worth an entire division of American, French or British forces. Anyone can see the psychological advantage of that situation. We should not wait, but we should begin to form such organizations now. These people should be utilized.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. KERSTEN of Wisconsin. I yield.

Mr. RICHARDS. I would like to support the gentleman's amendment, but I just cannot see it. This is a kind of foreign legion you would set up?

Mr. KERSTEN of Wisconsin. That is right.

Mr. RICHARDS. As the forces are now set up, will they be made up of national forces? Who is going to support this group you are talking about?

Mr. KERSTEN of Wisconsin. I think that part of these funds could be used for the support of such individuals.

Mr. RICHARDS. Do you mean General Eisenhower?

Mr. KERSTEN of Wisconsin. I think they should be attached to the American Army. The very provisions of this bill reads: "for the economic unification of Europe," and for the eventual "political unification of Europe." These people who are in Western Europe but whose origin is in Eastern Europe, should participate in the defense of Western Europe and eventual liberation of their homeland.

Mr. RICHARDS. That could be done under existing law if General Eisenhower thought it should be done, but, as a matter of fact, it never has been advisable to do that under any military man. The only Foreign Legion organizations that have ever been successful are colonial groups of the home army.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KERSTEN of Wisconsin. Mr.

Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. MORANO. Is it not true that under your amendment these aliens who are in Germany, for example, could be integrated into a German army?

Mr. KERSTEN of Wisconsin. Certainly.

Mr. MORANO. And could be supported by the funds authorized in this bill?

Mr. KERSTEN of Wisconsin. Certainly. In response to what the chairman of the committee has said, I would like to say this: Just imagine the United States had been taken over by the Communists, and there were 100,000 young Americans available for military service outside the country. What a magnetic force that would be for the eventual liberation of this country. That same situation exists in Poland, in Hungary, in Rumania, and in Bulgaria. Those individuals could be utilized and have some kind of insignia, decided upon by NATO, and they would have a tremendous psychological effect for eventual liberation of their countries. Today they are just being kicked around Europe. They have no status. If they could look forward to the eventual liberation of this country, then this entire measure has direction and objective. Otherwise, it is nothing more than an armament race, and a building up to a world stalemate of military power.

My amendment contemplates the possibility of aiding the underground organizations that may now exist and may come into existence in the future. It could give such underground organizations direction so that they would not be abortive.

It gives a major part of the job of the liberation of Eastern Europe to the eastern Europeans themselves.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. ARMSTRONG. Mr. Chairman, I rise in support of this very significant amendment. It seems to me that the gentleman from Wisconsin has laid before us something of tremendous importance. He called our attention to the utilization of a great many people, refugees from behind the iron curtain who really have something to fight for, the freedom of their homelands.

If you will pardon a personal reference, in late 1949 I made a survey of the refugees in Western Germany, in all three of the western zones of the occupied areas. I visited personally numerous camps of the refugees. In company with American officials, civilian and military, in the occupied areas, I interviewed leaders of these national groups who had escaped from Soviet Russian tyranny. Repeatedly we heard words of pleading from those people that we permit them some day to help fight for their own freedom.

I say to you that this will be a step forward in the psychological war that we need to wage at the same time that we strengthen the sinews of war with tanks, guns, planes, that have been stressed in the discussion of this bill. In our pursuit of strength to oppose communism, we

have placed too much reliance upon the expenditures of money. The fight against communism will be won not simply by the expenditure of money but by winning the hearts and minds of people behind the iron curtain. This is a good place to start—with the people behind the iron curtain. By this amendment, they will be encouraged to come over to our side, and fight with us. I really believe that if we encouraged them sufficiently we could get thousands of them to desert and join the forces of freedom. The reliance that Joe Stalin is placing upon those satellite troops in Hungary, Rumania, Bulgaria, Poland, and Eastern Germany, would melt away. The very heart of his program would be cut to pieces if we pursue this psychological warfare vigorously.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield.

Mr. MORANO. Is it not true that in this last war the free army of Poland acquitted themselves splendidly in their fight to gain back their homeland when they fought in Italy?

Mr. ARMSTRONG. That is exactly right.

Let me illustrate this matter. Recently my wife and I went to Norfolk to attend the Confederate reunion. We met on that trip a very charming lady, the wife of the distinguished gentleman from New Jersey [Mr. SIEMINSKI]. That lady, born of noble blood in Poland, said to us: "The people of our country have little to look forward to except a third world war, unless you give them the assurance that some day they may help fight for their own freedom." I heartily agree with that statement. I think we should be setting up a legion of freedom. Let us not call it a foreign legion. These refugees from Soviet domination are not foreigners; they belong there; we are the foreigners over there. So let us invite them to protect themselves and us.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield.

Mr. COOLEY. Are not most of the refugees in the three zones of Germany, the British, French, and American, of German origin?

Mr. ARMSTRONG. No. I did not refer to the German ethnics; I referred to those who have escaped from behind the iron curtain.

Mr. COOLEY. I was leading up to this question: The gentleman said we should work them over to our side; does the gentleman mean we shall induce them to leave their homelands and come into Germany for the purpose of joining a foreign legion?

Mr. ARMSTRONG. Actually I will say to the gentleman that I think we should do that very thing. I believe we should offer this opportunity to them.

Mr. COOLEY. Would not that aggravate the refugee problem in the western zones of Germany?

Mr. ARMSTRONG. I mean, of course, to encourage only military manpower that we could utilize. I remind the gentleman that every one of the able-bodied men could take the place of an American man now being drafted off the farms

or from the industries of the United States.

Mr. SIEMINSKI. Mr. Chairman, will the gentleman yield, having referred to my wife?

Mr. ARMSTRONG. I am happy to yield to my friend from New Jersey.

Mr. SIEMINSKI. My wife, whom the gentleman met at Norfolk, was born in Poland, was in the 1939 bombing, left at the time of the uprising in Warsaw. She advised a member of General Bor's staff, that Poland was being played as a sucker by Molotov and Stalin. I am sure there is another part of the story the gentleman would like to know.

They will come over on our side, but let us make sure there is not any repetition of the Warsaw slaughter; if you want them to be with you, be sure you have the stuff to protect them with; do not do what Stalin and Molotov did in 1944.

Mr. ARMSTRONG. I agree with the gentleman, and I thank him for his courteous remarks.

Mr. RIBICOFF. Mr. Chairman, I move to strike out the last word for the purpose of asking a few questions of the sponsor of this amendment. This is a very intriguing and interesting amendment, but I was just wondering why the gentleman left out certain countries behind the iron curtain whose people love freedom as much as the countries that were named. I refer specifically to Latvia, Estonia, Lithuania.

Mr. ARMSTRONG. I certainly think they should be included. I thought they were included by the general term "Soviet Russia." If they are not, I think they should be.

Mr. RIBICOFF. In other words, what you would be doing if you mentioned only the named countries it would be construed as excluding the countries not named. Certainly it would be a shock to the people of those countries behind the iron curtain; they would feel that for some reason we singled them out as not worthy of our interest.

Mr. KERSTEN of Wisconsin. If the gentleman will permit, it does name every country in Eastern Europe and it also names Soviet Russia. Soviet Russia should include Lithuania, Estonia, and Latvia, and I think if necessary they should be added.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from South Carolina.

Mr. RICHARDS. I am trying to get at this amendment. As I understand the amendment, it is permissive.

Mr. KERSTEN of Wisconsin. Yes.

Mr. RICHARDS. It is not mandatory?

Mr. KERSTEN of Wisconsin. It is not mandatory.

Mr. RICHARDS. Somehow or other I believe there is some good in this amendment and so far as I am concerned I will accept it.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I want to ask a question. I believe on page 4 there is provision for people of this descrip-

tion. Section 115 (e) of the Economic Cooperation Act of 1948, as amended, says that \$30,000,000 of these funds may be expended for that purpose. Am I wrong? Is that not exactly the purpose of this amendment?

Mr. RIBICOFF. No. That section is in there at the suggestion of the gentleman now occupying the chair and is to take care of the skilled manpower and the surplus population in the various countries and allow emigration out of those countries. These funds could be used for that particular type of emigration.

Mr. CURTIS of Missouri. It is my understanding it was for refugees and moving the population around.

Mr. VORYS. If, however, some of these displaced persons and refugees should choose to go into such organized liberation forces as the gentleman from Wisconsin has provided in his amendment, that would be a good thing and would lower the need for the \$30,000,000; is that not true?

Mr. RIBICOFF. Absolutely. I have not prepared a substitute, and I am wondering if the gentleman from Wisconsin will ask unanimous consent to have his amendment changed to include these other countries behind the iron curtain. I know of the fine work he has done and the thought he has given to this entire field. I am sure he would be the last person who would want to hurt any other people.

Mr. KERSTEN of Wisconsin. I agree to that amendment to the amendment so as to include Latvia, Estonia, and Lithuania, and other countries behind the iron curtain.

Mr. VORYS. We still recognize—and I would like to be corrected if I am wrong—Latvia, Estonia, and Lithuania and it might be well to refer to those countries by name.

Mr. RIBICOFF. Specifically. That is why I am asking the gentleman to so amend his amendment.

Mr. JAVITS. Will the gentleman ask unanimous consent to change it to read Latvia, Estonia, Lithuania, and any other place absorbed by the Soviet Union?

Mr. MORANO. I would like to ask the gentleman to include Poland.

Mr. KERSTEN of Wisconsin. Poland is in there. Mr. Chairman, I ask unanimous consent to include in this amendment Latvia, Estonia, and Lithuania, and any other country behind the iron curtain.

Mr. DONDERO. That includes China?

Mr. KERSTEN of Wisconsin. That includes China.

The CHAIRMAN. The gentleman should put his amendment in the form he wants the Committee to vote on it.

Mr. KERSTEN of Wisconsin. Mr. Chairman, I ask unanimous consent to modify my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. KERSTEN of Wisconsin: After "United States" line 8, page 3,

strike the period and add: "and for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist-dominated areas of Germany and Austria, and any other countries absorbed by the Soviet Union, either to form such persons into national elements of the military forces of the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance is important in the defense of the North Atlantic area and of the security of the United States."

The amendment was agreed to.

Mr. CURTIS of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS of Missouri: On page 3, lines 3 and 6, after the word "President", in both instances, insert the following: "with the advice and consent of the Senate."

(Mr. CURTIS of Missouri asked and was given permission to revise and extend his remarks.)

Mr. CURTIS of Missouri. Mr. Chairman, some of the Members have thought that perhaps this lengthy debate has been unfortunate in possibly giving encouragement to people in other sections of the world because it might show some disunity on our part. On the contrary, I think this is a most healthy thing that we can demonstrate to the world that we can debate and go into these matters and come up with a firm policy. It seems to me what has come out of this present debate is the fact that we have two enemies: One is Soviet Russia and the other is the threat of insolvency of our own Nation. On this side of the aisle we seem to feel that insolvency is the greatest enemy that we face, and I happen to agree with that particular position. On the other side I suspect that they feel that the greatest enemy is Soviet Russia. I think most of us recognize both those enemies, and that we must resolutely face not one alone of them, but both.

I want to make this comment. General Eisenhower said this, and this has to do with our enemy, Soviet Russia:

The material, spiritual, technical, and professional resources available to the free world are so overwhelming as compared to what the iron-curtain and satellite countries have, that it is almost ridiculous for us to be talking in terms of fright and hysteria which we often do.

That is General Eisenhower's statement of just a week ago, and I think we all ought to bear that in mind when we start running the Russian tanks through the well of the House in these debates.

As far as insolvency is concerned, I only want to make this comment: We are all aware of inflation, and inflation is directly the result of our approaching insolvency, and I submit that that enemy is breathing right on our backs.

As far as my amendment is concerned, it is a relatively simple one, although it may be controversial. The particular provision requires that the President, when he determines that he is going to give money to another country not under the Atlantic Pact, must have the advice and consent of the Senate. The reason for that is, in my opinion, this

is a constitutional requirement. If we are going to enter into agreements with another country we are, in effect, entering into a treaty with that particular country. It is provided in the Constitution that the President can only make a treaty with the advice and consent of the Senate.

Page 24 of this bill sets out the provision for eligibility to any country seeking our assistance, and vests this treaty-making power, that used to be and should be in the hands of the President and the Senate, in the hands of an administrator. Under the provisions of this bill it is the administrator who would be making the terms of the treaty with any country that has no treaty relations with us, such as the Atlantic treaty, whether it is Spain or Yugoslavia or any other country. It seems to me that we in this Congress must guard our constitutional duties and our responsibilities jealously. It is for that reason that I offer this amendment to provide that if the President decides to give money and enter into an agreement with a country he shall do it with the advice and consent of the Senate. This will further insure, as our constitutional forefathers sought to provide, that we shall have a little more open diplomacy openly arrived at.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appreciate the fine spirit in which the gentleman offers this amendment, but I want to point out its possible application to the matter we discussed only a few minutes ago.

Let us take the case of Spain. Let us take the situation where it was decided after the steps and negotiations that have been described to include Spain. Suppose there were in the other body a die-hard who was against having Spain receive aid in response to the military activity. Then you might have a filibuster which would prevent something happening which all of us feel should happen.

We are going to hear a little later about some of the problems that are exclusively those of the Chief Executive, the Chief of state, and some which are not, but on this sort of thing, under the advice that he has, as provided later in the organizational sections of this bill, we should leave it as it is and certainly not drag in for this strictly executive and military function the advice and consent of the Senate.

It might be a wise thing to have the advice and consent of the Senate on the way a battle is to be fought, or something like that, but the time element involved and the complications are such that, of course, we would not think of bringing in that cumbersome procedure for such a matter.

I think this goes far beyond the sort of advice and consent that is contemplated in our Constitution. I do not mean that it would be unconstitutional, but it is far beyond what our founding fathers had in mind when they wanted the Senate to have control over the appointment of ambassadors and over treaties. Therefore, I hope the amendment will be defeated.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. CURTIS of Missouri. May I say that is exactly why our founding fathers did put that in the Constitution. If this country is going to enter into an agreement which is a treaty with another sovereign government, be it Spain, Yugoslavia, or any other country, our forefathers deemed it wise that the Executive not alone be allowed to do that, but that he do it with the advice and consent of the Senate. I submit that when you go into a treaty like the Atlantic Treaty, that was confirmed by the Senate, and the terms under which those nations might receive United States funds are well defined, a similar treaty should apply if you are going to make it with Spain.

Mr. VORYS. As far as treaties are concerned, of course the Constitution applies and the advice and consent of the Senate will be necessary, but we are talking here about an executive action. For instance, in case it is found impossible to get Spain in as a member of NATO, the treaty organization, the question would be whether we would want to bar the President from extending aid to Spain until he had secured the advice and consent of the Senate in such a matter. If he made a treaty, of course it would have to go to the Senate.

Mr. CURTIS of Missouri. Will the gentleman yield to listen to some language from the bill? Here are the conditions under which a country that will receive aid, and that is not under NATO, must agree to: I am reading from page 24, beginning line 20 of the bill:

Unless the recipient country has agreed to join in promoting and maintaining world peace and to take such action as may be mutually agreed upon to eliminate causes of international tension.

I submit those are the broad terms of a treaty.

Mr. VORYS. We have spent a great deal of time in former years on this floor debating as to what is a treaty and what is an executive agreement. All I can say is that if it is a treaty, of course you need the advice and consent of the Senate. If you have an executive military agreement you do not, and I do not think you should put in that requirement.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. CURTIS].

The question was taken; and on a division (demanded by Mr. CURTIS of Missouri) there were—ayes 45, noes 83.

So the amendment was rejected.

Mr. BROWNSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWNSON:
On page 3, line 8 after "United States", strike out "In addition."

And on page 3, line 14 strike out "and to be consolidated with" and insert "the unobligated balance as of June 30, 1951 will be deducted from."

On page 3, line 23 after "as amended", strike out the words "In addition."

On page 4, line 2 after "1952", strike out "and to be considered with" and insert "the unobligated balance as of June 30, 1951 will be deducted from."

(Mr. BROWNSON asked and received permission to revise and extend his remarks.)

Mr. BROWNSON. Mr. Chairman, this amendment makes a very simple change effecting economy at this particular point in the bill—economy with the surgeon's scalpel rather than the hatchet. Reading in the report of the committee on page 61, I find the following statement:

This bill requests \$6,013,000,000 for military assistance. A sum of this magnitude was given the closest scrutiny and required most thorough explanations from the witnesses, particularly since there was under the 1951 military-aid program an estimated unobligated balance of \$456,000,000.

That is in the military end of this bill. That \$456,000,000 is the amount of money which has been appropriated, and which has been available and which it was impossible to spend. Of course, we all know that there is a similar amount of money, in unobligated balances which exists under the provisions of the economic-aid program. I bring these points up because there have been times in this debate when the gray area between those of us who may have some degree of disagreement, has been somewhat neglected and when the proponents of the bill have stated rather definitely that every cent of this money must be appropriated or the whole program is lost. On the other extreme, there are those who have advocated absolutely no aid and absolutely no military help. I plead with you to look in the area that lies somewhere between these two poles. Surely there is a place in between where we can find the point that is best for the national interest.

MANY PEOPLE WHO DISREGARD OUR NATIONAL INTEREST HOLD DOLLARS TO BE UNIMPORTANT

I believe it is only fair to note that we are not only spending dollars in this program. I tried to do a little quick long division, which I trust is correct, to illustrate the effect of this bill on the workers of our country. Figuring a 40-hour week at \$2 an hour for 52 weeks a year, the \$7,800,000,000 we are sending overseas in this bill represents 1,870,000 man-years of work. That is exactly what we are exporting. We are exporting the work of American labor which is taken from our workers in the form of taxation to be exported in this manner. In a sense, this often represents involuntary servitude, or slavery, because there are many in my district who do not voluntarily contribute either their hours of work or their dollars to the degree required in this bill.

In 1950 we took every fourth dollar earned by the American people in taxes for Federal, State, and local government. In 1951, it is every third dollar—what it will be tomorrow depends on the courage and the wisdom of this Congress. This matter is particularly in the public mind since the \$7,600,000,000 tax increase passed by the House is more than swallowed up by this one bill alone. This bill will cost my State of Indiana about \$20,800,000 and will cost my district over \$3,400,000, as it stands.

I think it is only fair to point out in the taxpayers defense that in the last 6½ years, from May 1, 1945, to June 20,

1951, we have collected from our people—this is collected from our people in Federal taxes, we have not only appropriated—but we have collected \$260,400,000. This sum is \$12,000,000,000 more than all of the taxes which were collected from 1789 through June 30, 1945. In other words, in a little over 6 years our President has collected \$12,068,000,000 more than all of his predecessors, including the late President Roosevelt, collected in 156 years.

There is a happy medium in the national interest. A mean between our obligation under our treaties and agreements with our allies abroad and our obligation to our own people and our own cities and our economic strength.

I was very interested to read a statement from Sir Hartley Shawcross, Chairman of the British Board of Trade, who announced day before yesterday that Britain would not abandon trade with Eastern Europe. The president of the Board of Trade challenged the United States Congress to start making American foreign policy in Washington and to cease letting it be made in London. That is one challenge from one British lord that I am happy to accept.

I ask that in the consideration of this bill this committee consider, when it comes to the time for recommitting this bill, the possibility of easing this load on the American people as much as it can possibly be eased. I ask that this committee make it possible for many of us who feel that military aid, economic aid, and economy are all important to our national interest to vote for this bill by accepting a reasonable cut in the motion to recommit.

I have spent 5 years in the military service. I have been overseas since the European aid program was in operation and never once have I seen a military operation or an ECA operation that could not have been cut 10 percent in funds with resulting improvement in the efficiency of the operation.

Unfortunately, in this bill, we are not dealing in tanks and guns and planes. I wish we were, because I would feel more secure if the veil of military secrecy could be lifted so we knew what we bought. We are dealing in administration, too. We are dealing in personnel. We are dealing in red tape. I cannot believe that we cannot effect economies in these programs nor can I accept the committee figures as sacred, inspired, or inviolate.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BROWNSON] has expired.

Mr. BROWNSON. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read as follows:

TITLE II—NEAR EAST AND AFRICA

SEC. 201. In order to further the purpose of this act by continuing to provide military assistance to Greece, Turkey, and Iran, there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$415,000,000 for furnishing assistance

to Greece and Turkey pursuant to the provisions of the act of May 22, 1947, as amended (22 U. S. C. 1401-1410), and for furnishing assistance to Iran pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604). In addition, unexpended balances of appropriations heretofore made for assistance to Greece and Turkey, available for the fiscal year 1951, pursuant to the act of May 22, 1947, as amended, and for assistance to Iran pursuant to the Mutual Defense Assistance Act of 1949, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

SEC. 202. Whenever the President determines that such action is essential for the purpose of this act, he may provide assistance, pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended, to any country of the Near East area (other than those covered by section 201) and may utilize not to exceed 10 percent of the amount made available (excluding balances of prior appropriations continued available) pursuant to section 201 of this act: *Provided*, That any such assistance may be furnished only upon determination by the President that (1) the strategic location of the recipient country makes it of direct importance to the defense of the Near East area, (2) such assistance is of critical importance to the defense of the free nations, and (3) the immediately increased ability of the recipient country to defend itself is important to the preservation of the peace and security of the area and to the security of the United States.

SEC. 203. In order to further the purpose of this act in Africa and the Near East, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$175,000,000 for economic and technical assistance in Africa and the Near East in areas other than those covered by section 103 (a) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1502). Funds appropriated pursuant to this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the act for International Development (22 U. S. C. 1557).

Mr. KENNEDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KENNEDY: Page 6, line 12, strike out "\$175,000,000" and insert "\$140,000,000."

Mr. KENNEDY. Mr. Chairman, this amendment cuts the \$175,000,000 to \$140,000,000.

The purpose for the expenditure of part of this \$175,000,000 according to the report of the committee is this:

What is proposed in our assistance to this area is not a solution of the balance-of-payments problem, not an attempt to make over existing economies and institutions on our model, not an attempt to raise markedly the standard of living; but rather a series of projects, planned and executed by skilled technicians and administrators, designed to demonstrate, by action, possibilities for still broader development to be conducted by the countries themselves.

I cannot believe that we are going to spend this money merely to set an example to these countries, some of which are ruled by an oligarchy, which they might follow in the future themselves. I believe in military assistance to this area and that it is a good thing, but I do not think that we can afford in this

country to raise the standard of living of all the people all over the globe who might be subject to the lure of communism because of a low standard of living.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield.

Mr. JAVITS. I do not think the gentleman fully understands the situation. From this \$175,000,000 is to be deducted the \$100,000,000 which is covered by section 204 and section 205, which follow.

The program is a seventy-five-million-odd-dollars program for that area and includes, I might tell the gentleman, \$24,000,000 for Iran which has had a long-standing problem with which the gentleman is familiar; I am sure. We find, therefore, that there will be about \$50,000,000 left to be distributed amongst all the nations in that area. I think that throws a little different light on the picture.

Mr. KENNEDY. I understand that not more than \$100,000,000 of this money is to be given under sections 204 and 205. I support this expenditure for this purpose—for the settlement of refugees in Israel. But I believe that the remainder of the program is not well planned.

Mr. JAVITS. I think the gentleman will agree with me that it leaves a very modest amount for this program.

Mr. KENNEDY. I say it is impossible for us to think of raising the standard of living of all the low-standard countries of the world. I believe the funds provided in section 203 can well be cut by the amount in my amendment. The cuts can be applied proportionately to the programs affected.

Therefore, I ask that the House accept the cut from \$175,000,000 to \$140,000,000.

Mr. RIBICOFF. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as pointed out, the \$75,000,000 is the total sum that is left over for these technical assistance programs, and not \$175,000,000. It includes a proposed \$24,000,000 to Iran. We all know the strategic importance of Iran to the world today. That leaves approximately \$51,000,000 for the remaining countries of the Middle East. Strategically the Middle East is the land bridge between Europe and Africa, and these programs will show the way in one of the most backward areas of the world. If we believe in technical assistance, in the point 4 program, the least we can do is to implement it so as to raise the living standards of the people in that area of the world.

I hope the gentleman's amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 75, noes 85.

Mr. KENNEDY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RICHARDS and Mr. KENNEDY.

The Committee again divided; and the tellers reported that there were—ayes 101, noes 141.

So the amendment was rejected.

The Clerk read as follows:

SEC. 204. Not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be contributed to the United Nations during the fiscal year 1952, for the purposes, and under the provisions, of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556): *Provided*, That, whenever the President shall determine that it would more effectively contribute to the purposes of the said United Nations Palestine Refugee Aid Act of 1950, he may allocate any part of such funds to any agency of the United States Government to be utilized in furtherance of the purposes of said act: *Provided further*, That no amount may be so allocated unless it will be credited by the United Nations as part of the United States contribution to the United Nations Palestine Refugee Agency.

SEC. 205. In order to assist in the relief of refugees coming into Israel, not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be utilized during the fiscal year 1952, under such terms and conditions as the President may prescribe, for specific refugee relief and resettlement projects in Israel.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 7, line 9, strike out all of section 205.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, in presenting this amendment, I assure you that I am not blinded by any fond partiality nor am I prompted by sinister impulses. No narrow prejudice clouds my clear vision or fetters my reason. I know something about the great problems here involved and the far-reaching ramifications of the decisions which we are here about to make. I have considered the matter diligently. I have weighed the facts and circumstances impartially and I am led irresistibly to the conclusion and to the honest belief that our policy in Palestine has not been in the interests of peace. In support of my conclusions I need only read to you a brief statement from the committee report:

The relationships of the United Nations, the United States, and the United Kingdom with the Arab states have been adversely affected by the Palestine conflict. There still remains the opportunity, however, to find a basis for understanding and sound future relationships with these countries, once they are convinced that it is our intention to deal impartially with them.

It is not so much the "Palestine conflict" which has so adversely affected our relationships with the Arab States, but it is our policy and our attitude and our conduct which has resulted in a loss of prestige and friendship among and with the people of the Arab world. We not only recognized the State of Israel, and I certainly had no objection to such recognition, but through the Export-Import Bank, a loan of \$100,000,000 of Ameri-

can taxpayers' money was made to the new State of Israel. We did not make a similar loan to either or to all of the Arab States. Certainly, a part of the \$100,000,000 loan has been used by the people of Israel in the prosecution of their immigration program, and in their resettlement program, and certainly a part of it has been used in the housing and building program. Neither you nor I were in any way consulted, and none of us had an opportunity to pass upon or decide whether or not the loan should be made. That, of course, is water over the mill. Whether the granting of the loan was wise or not is not of great concern to us at the moment, but whether we make this \$50,000,000 grant is a matter of immediate and vital concern to all of us.

In know at least a little about the sad situation in Israel. In the outset I want to commend and to congratulate the Jewish people upon their magnificent achievements in that far distant land of Israel. My first visit to Tel Aviv and to Palestine was in the spring of 1947; in fact, I was in Bethlehem on Easter Sunday morning. The city of Tel Aviv is a beautiful monument to the ingenuity, to the industry, and to the thrift and great determination of the Jewish people. While I commend all of the achievements of the Jewish people, I cannot condone any of their acts of aggression, nor am I willing to become a party to any expansion of territory which is to result from violence and bloodshed. I have observed conditions, and I know whereof I speak.

I have seen many horrible sights in my life; I visited Naudhausen within a week after VE-day, and I saw Dachau. I saw the crematories and the dead and dying people who had served as Hitler's slaves, and I thought all of that was a horrible sight. But when they were once liberated, even though they were dying of starvation, liberation brought to them hope and faith and courage. Last October I visited a concentration camp on the sand dunes by the hills of Jericho, and I know that I saw there the most awful sight my eyes have ever seen. There on the burning sands of the desert were 60,000 human beings, helpless and hopeless. They had been driven from their farms, their shops and their homes, out on the desert to die. At Gaza there were over 200,000 poor and helpless souls in a similar situation. They were suffering from just about every disease known to the human race. They were receiving only slight medical care and attention. They had no homes, no farms, and no workshops—they had nothing to do but to nurse their woes in hopeless despair. For them there was no tomorrow, with sparkling waters and green pastures. They went to bed at night knowing that tomorrow would only add to their sorrows.

But for the generosity of this great country, all of those homeless and helpless refugees would have died and would have been buried beneath the blistering sands of the desert. This is only part of the story. There are 875,000 Arab refugees, and thousands of them in other parts of Palestine who do not even have

shelter, but are forced to live in caves in the ground like rats and wild animals, and with only meager sustenance. The committee's report indicates that we should not be partial, and the implication is that the program here provided is impartial, but what are the facts? Certainly, we have provided generously financial aid and assistance to the State of Israel, and some relief, of course, is provided for Arab refugees, but the program here contemplated for the resettlement and rehabilitation of refugees certainly is not equal or impartial.

The program contemplated is one of great magnitude. This is only the beginning. A large number of Arabs are to be resettled in the Sinai Peninsula. The plan is to make that part of the world blossom and bloom again as it did in ancient times, but with the use of American money. Only the small sum of \$200 will be allowed for the resettlement of each Arab, whereas, for the resettlement and rehabilitation of each Jewish refugee, \$2,800 will be needed. This amounts to fourteen thousand American dollars for each Jewish family of five. In this connection, let me remind you of the fact that until August 14, this Congress had only authorized operating loans to American farm tenant families for rehabilitation a maximum loan—not a grant—of only \$3,500 per family, and here you are asked to approve a program which contemplates the expenditure of \$14,000 per Jewish family in that far-away place of Palestine. Perhaps you wonder about the accuracy of these figures. The figures are amazing, but frankly, I am afraid they are accurate.

Yesterday I had in my office for a conference the following persons from the State Department: Mr. John D. Tomlinson, expert on Palestine refugees; Mr. George Warren, adviser on refugees and displaced persons; Mr. William L. Sands, Division of Near Eastern Affairs on Refugees; Mr. Lawrence Dawson, United Nations Affairs Bureau, Division of Refugees and Displaced Persons; Mr. L. I. Highby, agricultural products staff in State Department; Mr. C. M. Purves, Department of Agriculture, OFAR; and Mr. J. R. Fluker, State Department, Office of South Asian Affairs.

At this conference I obtained current and, I assume, accurate information as to the matters here involved. With me at the time were my colleagues, Congressmen WILLIAM ROBERT POAGE, of Texas; CLIFFORD HOPE, of Kansas; and HENRY TALLE, of Iowa, and each of them participated in the discussion. If my information is inaccurate, then I challenge any member of the committee to give us accurate information. I challenge all the members of the committee to give this House one scintilla of evidence which contradicts the statements which I have made concerning the costs involved in resettling and rehabilitating Jewish refugees. Frankly, I must confess that I was shocked and amazed when I was told that it would cost 2,800 American dollars per person to resettle and rehabilitate Jewish refugees. You might be interested in knowing some-

thing about the number of Jews that have been going to Jerusalem.

In April, according to this report, more than 30,000 Jews went to Israel. Certainly, some of them were refugees. On the other hand, I know that some of them went to Israel from all parts of the earth merely because they wanted to go to the promised land. Certainly all of them were not refugees; certainly all of them were not persecuted; and certainly all of them were not well advised about conditions in Israel. The open immigration policy was and is to the effect—come one, come all from all parts of the earth. We will welcome you in Israel. I know that all of them are not persecutees or refugees. I saw them boarding the planes in Bagdad, 150 packed into one plane which was built to take only 50 passengers—they were packed in those planes with nothing but knapsacks on their backs and they were landed at Tel-Aviv Airport only to become charges upon the charity of the people of this country and upon the charity of the people of other parts of the world who believe in this movement of the Jewish people.

Israel does not have an agricultural back country sufficient to support the people who are already there. The State of Israel does not have means or money to support its people. So why should we encourage the policy of come one, come all from all parts of the world?

This great committee of ours apparently realizes that we have lost friends—world without end—in the Arab States, and here is an effort to regain some of our lost friendships and some of our lost prestige, but the committee emphasizes the fact that we must deal impartially in this sad situation. We are dealing impartially when we provide \$2,800 to rehabilitate a Jewish refugee and only \$200 to rehabilitate those poor, distressed, and discouraged people over yonder in Jordan and on the deserts by Jericho?

Mr. Chairman, some of the best friends I have in this world are Jews, and I have discussed with them the situation which today exists in Palestine. When I visited Palestine I visited with and was cordially received by the Jews. I was also cordially received, and I visited with the Arabs in Old Jerusalem, and I had an opportunity to see both sides of the picture. It is a deplorable situation. In discussing this matter I want to make it perfectly plain and crystal clear that I do not now have, and never have had, the slightest prejudice in my heart against any race on this earth. I have nothing but compassion and sympathy for both Jewish and Arab refugees, but I do believe, however, that we are dealing with a dangerous situation. To give to the Jews of Israel this \$50,000,000 might even prove to be disastrous to them, since certainly they will be encouraged to carry on their program of open and unrestricted immigration. The desert sands of Palestine can, of course, be made into green pastures and fertile fields, but this cannot be accomplished by the mere waving of a wand, nor can it be achieved in a very brief space of time.

While my heart goes out to the displaced persons, to the political persecutees, and to the refugees of this world, and while I am perfectly willing to be generous and charitable, I cannot get the consent of my conscience to believe sincerely that the program of the people of Israel is either right or proper under all of the circumstances existing. Why cannot these people live in peace, one with the other? Why cannot they settle their differences and disputes? Why cannot they be tolerant one with the other, as the people of peace want them to be?

I wish that every Member of this House could witness the things I have seen, and then I am sure that no one of you could question my sincerity. If my information is inaccurate, if my observations are not compatible with the facts, then I am regretful; but be it said to my credit, I have not permitted political considerations to come into my deliberations nor to influence my decisions.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. VORYS. These 800,000 or whatever they are, who cannot get back to Palestine, are referred to as Arab refugees.

Mr. COOLEY. That is right.

Mr. VORYS. The testimony was that 10,000 of them are Christians.

Mr. COOLEY. They are Arabs. They are Arabs, but they are Christians. The point I am making is this. This is a stupendous program. Are we going to let the world know that they can bring Jewish refugees into Palestine, world without end and without limitations and without number; and that we are going to pay for their rehabilitation at the rate of \$2,800 per person? It will take the net income, or more than the net income of the average farm family of this country, to resettle and rehabilitate the families of Jewish refugees that go into Palestine.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. COX. The gentleman presents a challenge to the sense of fairness, and the integrity of honest men.

Mr. COOLEY. I thank the gentleman. I am in dead earnest about this. I saw this thing first hand. I know we have a burden now that is hanging on us heavily, and the question is if we give this \$50,000,000 to Israel, what is it going to be used for? Do you know that they have the most ambitious building program in the city of New Jerusalem that you can possibly imagine? They are building capitol buildings, and other buildings there which would do credit to any of the main streets of Washington, New York, Boston, or Baltimore. They are going to move the capitol from Tel-Aviv to New Jerusalem. How can they spend \$2,800 to rehabilitate these Jewish refugees except by putting them up in high class apartment houses such as they are now building? They are bringing in the Yemenites. They are bringing them in for heavy labor. They are bringing people in from all parts of the world. I tell you now, when you cast

this vote for \$50,000,000 for Israel, you are going to lose 50,000,000 friends in the world. I doubt if we can ever regain our prestige and popularity in that part of the world. If you do not believe it, just communicate with some of them.

Another thing I would like to ask the committee to answer on their own time is to tell us what you know about the military plans and the military machine that is being built in Israel today. I understand that it is a secret, and that it is confidential information, and it is not made available to us. I venture the assertion if you put this \$50,000,000 into Israel blood will flow in the Holy Land within 90 days of the time they receive the money. If you are going to bring about a conflict, we ought to stop, look, and listen, as the chairman of the committee says, before we allow the Jews of Israel to strengthen their armed forces to the point that they can drive hundreds of thousands of other poor Arabs on the deserts to die and into the lap of our own charity.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HERTER. Will the gentleman be kind enough to give us the authority for the \$2,800 figure which he cited.

Mr. COOLEY. I had a conference in my office yesterday with people from the Department of State who are experts on the Jewish refugee situation, and on the situation generally with regard to the refugees and with regard to the food problem which exists in that part of the world, and we received those figures actually from the mouths of representatives of the Department of State.

Mr. HERTER. I think if you check on those figures you will find that they are not generally applicable in any way whatsoever, but they do have to do with the aid given reclamation projects, in which a certain few individuals were being aided and somebody tried to make them applicable to the entire refugee problem.

Then, will the gentleman kindly advise how there have been resettled in the last 3 years in that country over 800,000 immigrants on that basis?

Mr. COOLEY. I will ask the gentleman, Did the State Department, with all of its experts, recommend this action? No.

Since the State Department definitely did not recommend this gift of \$50,000,000 to Israel, and since apparently no other agency in the executive branch of the Government recommended it, naturally we should wonder why it was included in this bill. For your information, I would like to read a little more from the report:

THE ARAB REFUGEES (SEC. 204)

Some 875,000 Arab refugees from Palestine remain in a precarious condition. These unsettled people constitute the main source of unrest in the area and the principal obstacle to peace between Israel and the Arab states. Failure to provide for them would result in most serious consequences.

The United Nations has initiated steps looking toward a resettlement of many of them. About 60 percent have a rural background; it may therefore be estimated that about 500,000 will have to be resettled on the

land. That solution is dependent, however, on a number of factors, among which are the availability of land and water and the willingness of neighboring countries to provide a hospitable place of settlement. Pending a final determination of these problems, there appears no alternative to measures for relief financed in large part by the international community.

Last year the United States contributed \$27,450,000 to the United Nations Relief and Works Agency for Palestine Refugees. The committee heard testimony from those representatives of the American Friends Service Committee and the Catholic Near East Welfare Association, which have been working among these people. There is no question in the minds of the members that the relief programs already undertaken must be continued. But relief is a stopgap measure. Only a portion of this sum is planned for that purpose. The balance is programmed for the establishment of permanent settlements for the refugees. For that reason the committee recommends \$50,000,000 for the fiscal year 1952.

IMMIGRATION INTO ISRAEL (SEC. 205)

The establishment of the State of Israel has resulted in an influx of more than 600,000 Jewish refugees.

According to information placed before the committee, there were 101,622 immigrants between May 14 and December 31, 1948; in 1949 there were 243,538; in 1950, 169,831; in the first 4 months of 1951 there were 79,719; in April 1951, alone, 30,202 refugees came into the country. These immigrants included most of the remaining Jewish displaced persons in Germany, Austria, and Italy. Large numbers came from eastern Europe. According to the testimony, most of what was left of the Jewish communities in Germany, Austria, Belgium, Yugoslavia, Czechoslovakia, Poland, Yemen, Iraq, and Cyrenaica have now immigrated to Israel. As of May 1, 1951, the committee was told, 273,355 or almost half, had come from Yemen, Iraq, and other countries in the Near East and North Africa.

Section 205 of the bill, to meet this problem, authorizes the utilization for the relief and resettlement of refugees coming into Israel of not to exceed \$50,000,000 of the \$175,000,000 authorized for economic and technical assistance in Africa and the Near East. The President is to prescribe the terms and conditions governing the furnishing of aid for specific refugee relief and resettlement projects in Israel. This amount should materially assist in meeting the serious refugee problem confronted by the new state.

I believe that the Members of this House know that I have supported every foreign-aid program. I am certain that most of the Members of this House know that I was a member of a special committee appointed by the Speaker of the Eightieth Congress, our beloved colleague, the distinguished Republican, JOE MARTIN, and that that committee studied the economic problems of the countries which received aid from the Marshall plan. I was for the Marshall plan, the British loan, the loan to Turkey and Greece—yes, and I was in favor of the point 4 program, and just about every foreign aid and assistance program which has been proposed, and I would be in favor of giving \$50,000,000 to Israel if I thought it was in the interests of peace. Let us face this situation objectively and realistically, and in viewing it let us be free from political persuasion.

The Jews in Israel are moving too fast. While we may wish them well, let us be reasonable and prevail upon them to be tolerant, and let us let them know that we cannot, either in the name of humanity or in the cause of defense, underwrite the ambitious program upon which they have embarked. Mr. Chairman, I hope that this amendment will be adopted, but even if it is not adopted, I am constrained to vote for this bill on final passage. The time of the gentleman from North Carolina has expired.

[Mr. JUDD addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, I hope the amendment offered by the gentleman from North Carolina will be defeated. This particular matter has been very carefully gone into by the Committee on Foreign Affairs.

I know something of the history of it and I know that the provisions of the bill, with equality of consideration in relation to the refugees, the Jews and the Arabs, have been given very profound consideration, not only by the committee but by responsible officials outside of the committee and by responsible Members of the House on both sides of the aisle who are not members of the Committee on Foreign Affairs. I know that because I had considerable to do in connection with some of the aspects of the bill which brought about the resolution that the committee agreed upon and as expressed by the committee in the provisions under consideration.

We must realize that the Near East, as the gentleman from Minnesota said, is a very dangerous spot. The tension there is very keen. As a matter of fact, we have got to realize that the nation of Israel, without saying that we could not rely upon others, is one nation in the Near East that in case of a crisis we could rely upon. The institution of government of this new nation is essentially along the lines of our institution of government. The gentleman from Minnesota referred to the vast part played by the United States in the formation of this new nation. Both the Republican Party and the Democratic Party in their 1944 platforms pledged support to this nation. I was chairman of the resolutions committee of the Democratic National Convention, and one of our planks was that the Democratic Party pledged itself to a free and independent Jewish commonwealth in Palestine, and in the same year the Republican Party in their convention adopted a similar plank. We must remember that 6,000,000 Jews,

human beings, were exterminated by Hitler during the last war. I do not consider racial origin in my consideration of a fellow man, nor do I consider what a man's color is in forming my opinion about my fellow men. Their color and racial origin is a matter of their birth and their religion is a matter of their conscience. What appeals to me is the mind of a person, a nice mind, a nice person. If there is one case where there is justification for this authorization, it is in the case of the infant nation of Israel, and I hope the amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, as you know I am one of those Members that has looked at the current bill and tried to cut it where I thought it should be in title I. The small amount provided for the Near East should not be cut, and it has been my view that this is the place where the bill should be increased. I remember when the general officers of the Department of Defense of this country came up before our committee, they said that it would be extremely hard to hold Europe unless the free world could hold this lower flank of the Near East. We know that this area is the explosive place in the world. We know that the oil production of both the free world and the iron curtain countries is centered there, and we know that we in the United States vitally need friends in that area.

Israel has been a good friend of ours. She has democratic traditions, and will stand up against oppressors of any kind. When you say "why are the refugees going to Israel?" we should listen to this: Poland's prewar Jewish population of 3,250,000 was reduced to 80,000 by 1945. In Eastern Europe 800,000 Jews remain of a population of 5,000,000. These refugees know persecution. The Government of Greece itself has spent \$150,000,000 in 1950 on resettling these immigrants, many of whom are former displaced persons from IRO camps. 642,563 refugees have come to Israel in the period from May 15, 1948, to June 30, 1951, and another 600,000 refugees are expected because of persecution, unsettled conditions, and antagonisms. If there are 1,200,000 refugees as the total already in sight, it certainly is not costing any figure like \$2,500 a person to resettle them. Such an estimate is clearly erroneous.

Do not forget that there is an Israel army that is good. It has approximately 100,000 experienced men in it, and they are good fighters. For the defense of our country and our legitimate interests, as well as excellent humanitarian reasons, I want to have Israel on our side as a loyal ally and partner with the free world. Let us be friendly with all of the countries in the Near East, and help their people progress. Let us treat them with even-handed justice and show that we can be cooperative with governments who will move toward progress, democ-

racy, and freedom. Let us help this country of Israel develop—she has made tremendous strides and has a great future ahead.

I might comment on the attitude of Iran, because that question was raised here. On July 7, 1951, Iran closed its consulate in Israel because of the nationalist and extremist trouble at home. The Arab News Agency recently has indicated from Damascus there would be further trouble, that Iran was considering the compulsory repatriation of all her Jews to Israel. This would cause the exodus of the 80,000 Jews now living in Iran. Israel needs help in her valiant struggle with her refugee problems and needs it now. I strongly oppose the cut proposed in this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Chairman, it is very difficult for me in the prescribed time at my disposal to express the intensity of my opposition to the amendment that is now being considered.

The discussion up to this minute has all been on the political aspects of the legislation. Might it not be wise to look into the moral aspects? Most of us who are Members of the Congress profess the Christian faith. How then can we forget the continuity from Judaism to Christianity? Does not our moral law and ethical concepts come to us on a direct line of descent from Abraham, Isaac, Jacob, Moses, and David? Did not our own Savior select to be born of the Jewish faith and of a Jewish maiden?

Should we now forget that for 2,000 years those who have professed Judaism have been humbled and persecuted? Driven from land to land, country to country. Oceans, deserts, or mountains offered them no security. History recalls the slaughtering of their young and aged. They have seen their family life disrupted and nearly destroyed. Education and financial independence were kept beyond their reach. Their sacred houses of worship were defamed and they themselves calumniated. All of these miseries and oppressions were visited upon them in every land they reached despite the great cultural and ethical contributions they made to what we choose to call civilization. All of this despite the fact that wherever they settled their charitable nature was manifested by the erection of hospitals for the poor, homes for the aged, infirm, and parentless. Everywhere they have given of their time, effort, and money for the erection and maintenance of institutions that could be used for the alleviating of the ills of all of God's children, irrespective of faith, creed, or color.

Going through a 20 centuries' vale of tears it was most natural that they should yearn, hope, and seek for a homeland of their own; a place that would provide them with the security for which they longed; a place where they could revitalize their ancient traditions.

The homeland has been founded. The traditions are once again being established but it is surrounded by elements that are unfriendly. Too, it has been founded at a time when the world is see-

ing its greatest unrest. These people and this new land need our help. We too were once weak and needed friends. Let us now extend the hand of brotherhood to this young nation. Give them our help and they will not fail to embrace our democratic principles and thus make their contribution to the dignity of mankind.

My time is almost expired. If you do not care to look at this as a moral issue and desire to keep it on a political plane let me leave you with this thought. This young nation is situated at the most dangerous crossroad in the world. Here the future course of civilization may be decided. Politically it is to our advantage to help these people. It is there that we may soon need help and friends. Stop and think. Are we again going to give too little and too late?

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. ROOSEVELT].

(Mr. ROOSEVELT asked and was given permission to revise and extend his remarks.)

Mr. ROOSEVELT. Mr. Chairman, let me answer briefly two items that have been mentioned by my very good friend from North Carolina: First of all, this question of the \$2,800 per person. The actual figures are that the refugees, some 700,000 of them that have come into Israel in the last 4 years, have had all their transportation paid, have had all of their health requirements, and they were extensive, paid for, and have had their initial clothing given them, and have been fed and sustained. They passed through the camps in Marseilles and other parts of Europe. They passed through the reception camps in Israel. Their food, their clothing, their transportation, their medical care were paid for. They have been resettled and started out on a new life of freedom and dignity in Israel, and it has cost about \$300 a person. I do not know where my friend from North Carolina got this \$2,800 figure.

Mr. COOLEY. Will the gentleman yield? Let me tell him again.

Mr. ROOSEVELT. He says from somebody in the State Department. But I can only say that in talking to the State Department for many years over this problem and knowing a good deal about it, because I have visited this country, and have been interested in this problem for a long time as all humanitarian Americans have been, I have never heard this \$2,800 figure once mentioned.

On the question of housing, the fancy apartments the gentleman refers to, I have seen these new fancy apartments. They are made out of cement blocks that are manufactured in Israel. They are one-room-per-family apartments, with a corner set aside as a kitchenette and one bathroom that is shared by a lot of other people. That is the kind of fancy apartment the gentleman opposes, but I do not think you could ask decent people to live in much less than that.

[Mr. POAGE addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, it was the greatest disappointment of my life when I visited Tel-Aviv in Jerusalem. I have never seen anything more distressing. I do not know who originated the idea of bringing all these people into Israeli. It is a barren country, and it is a desolate-looking country. I rode from Tel-Aviv to Jerusalem. I visited with both armies. We had to get a special permit to do so. I listened to the people in Tel-Aviv, and listened to the Arabs talk. There is a situation there that will go on, and those that have spoken here today about explosions will see an explosion. There is going to be an explosion. The Jewish people would have never been successful there without the aid of arms which were carried into that country in some manner from these United States. They will perish should the generosity of the Jewish people in America cease, and the contributions of the United States Government stop. I listened to the fancy programs of bringing that country into fertile fields and blossom. I saw the fields. I saw the olive groves and the farms from which the Arabs were driven laying in waste with the trees dying and the fields untilled. It is a sad condition. I have the greatest sympathy in the world for all races of people, but whoever brought this situation into being, will some day regret it. As I say, there is going to be a terrible explosion. The people in the Arab country tell you, and they tell you frankly, they will never forget and that some day vengeance will be theirs.

[Mr. JAVITS addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The gentleman from Ohio [Mr. VORYS] is recognized.

Mr. VORYS. Mr. Chairman, on this matter of international justice, let me give you a little arithmetic. There are four titles in this bill. The per capita economic aid for title I, Europe, was \$7.22, as proposed by the administration. That has been cut to about \$6. They are to provide military production out of that.

In title II, Near East and Africa the per capita aid proposed was \$1.03. In title III, Asia and Pacific, 69 cents; and title IV, American Republics, 16 cents per capita.

In the name of equal justice, here is what is in the committee bill. The Arabs got \$73,500,000. That is \$1.90 per capita. The Jews get \$73,500,000. That is \$52.50 per capita. When we refer to refugees, let us remember that all the people in this area are generally Semitic in origin. The term "Arab" is a loosely used term. Jew is not the name of a race. Judaism is a religion. That is why I referred to the fact that of these eight or nine hundred thousand who cannot go back to their homes in Palestine, and are therefore refugees, all are not Arab Moslems, but 100,000 of them, according to testimony before our committee, were Christians.

So let us bear in mind as we look at this world-wide picture the per capita economic aid we are rendering, and see whether it is 50-50 to render to one group \$1.90 per capita and to the other \$52.50 per capita, and see whether that is the way to obtain peace and justice in that area.

Mr. Chairman, I yield such time as he may desire to my colleague the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, I am opposed to this amendment, and I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. HERTER addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. KERSTEN of Wisconsin asked and was given permission to revise and extend his remarks at this point in the RECORD.)

Mr. KERSTEN of Wisconsin. I am against the amendment that would cut down the aid to Israel.

It is necessary for America and the free world to have a strong friend in the eastern Mediterranean. The bond between Israel and America should be strong.

Judeo-Christian civilization is the civilization of the free world.

The Israel Army has demonstrated it is capable of defending its people.

The people of Israel are a potential strong bulwark against the threat of atheistic communism that would take over this vital area of the Near East.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. COOLEY), there were—ayes 65, noes 146.

So the amendment was rejected.

Mr. CELLER. Mr. Chairman, one would imagine that Jews fleeing into Israel were there on a jaunt. No. They go to Israel because they have been in the main driven from and uprooted from their native lands—driven and uprooted by Communist dictators and feudalistic rulers. They have been made stateless. Their fate seemed like one on a sea without a shore, until Israel welcomed them. Hungary has ordered them to leave on a few days' notice. Iraq has pillaged and plundered them, and after denuding them of their possessions, forced them to make the trek to Israel. Tonight in Iran, Jews, ousted from their homes, are compelled to sleep in cemeteries. There are no places where they may rest their weary heads. Unspeakable conditions in Morocco, Tunisia, and Algiers renders their presence in those parts highly dangerous. They are forced from Russia and Rumania into exile and wandering.

Where are these unfortunate refugees to go? The blinds are drawn, the doors are closed all over the world. Our immigration quotas preclude their coming here. Perhaps the gentleman from North Carolina [Mr. COOLEY], author of the amendment, would have them go to

Limbo. I ask again, "Where are they to go?" If funds are not available to defray the costs of transporting them to and into Israel, plus costs of food, shelter, and raiment, then the program of Israel to resettle these refugees would fail. Israel alone offers surcease from sorrow and travail.

The Knesset, Parliament of Israel, has stated that any Jew seeking asylum in Israel may receive it. Without that asylum thousands of Jews will perish. Hitler and his jackals destroyed 6,000,000 Jews. The gentleman from North Carolina perhaps would like to forget these martyred dead. If this money is not appropriated thousands more Jews will be martyred. The same gentleman, perhaps, seals deliberately his mind against such a thought.

Israel is the only anchor to windward as far as democracy is concerned, that we and western democracies have in the Near and Middle East. The little and brave Republic of Israel is definitely oriented toward the west, and against the east. Should we not support that democracy? Israel has consistently comforted and voted with western democracies in the United Nations.

I ask the sponsors of this amendment, "Did the Arab nations support the United States and western democracies in the United Nations?" Emphatically, no. The Arab nations voted consistently against the United States and western nations. For their refusal to label the Communists aggressors in the United Nations, the gentleman from North Carolina would reward the Arabs. Because Israel voted for the United Nations aggression resolution, and perhaps because Israel sent medicines and supplies and a medical contingent to the UN forces in Korea, Israel is to be refused aid for her refugees. Assuredly if we shall not punish our enemies at least let us reward our friends. Israel is our friend.

Israel asks no questions of those seeking entry. The halt, the lame, feeble, young as well as old, may come. Some 25,000 Jews, a hard core, many of which are sick and crippled and enfeebled, are still in displaced persons camps in Germany. We maintain these camps at considerable expense. No country will take these unfortunate ones—save Israel. Israel will empty these camps and thereby save the United States great sums of money.

Eight hundred thousand refugees have already gone to Israel from all over the world. Six hundred thousand more will enter in 3 years. Israel must have help to integrate so many into her economy.

I rarely have heard remarks that have been so contrary to fact. For example, the figure of \$2,800 given by the gentleman from North Carolina as to estimate of dollar allowance for each immigrant into Israel is fantastic. I defy him to give any tangible proof. He said he had a conversation with someone in the State Department. Who? He does not identify the individual. His other statements, particularly, about luxurious houses in Israel as homes of refugees are just as fantastic.

Thousands of these unfortunate people in Israel live in tents, thousand of others have only the dome of the sky as roofs

over their heads. I, too, was there. I saw these people. I have seen the lines of suffering on their faces. But there is no self-pity. There is hardly a family that death has not visited. They put 100,000 men and women in the field as fighters. They can now put 200,000 in the field. They are the only fighters on whom we can rely in that area—an area that has slumbered for centuries due to Arab neglect. The Jews have awakened it and are making the desert blossom.

Israeli fighters have recently worsted six Arab nations with vastly superior numbers. The Arabs were bent upon forcing the Jews into the sea. The Arabs suffered ignominious defeat. They will get a second trouncing, if they try again. The Israeli fighters have proven themselves worthy descendants of the Maccabees and of those who fought at Massada.

I hope the amendment is overwhelmingly defeated.

The Clerk read as follows:

TITLE III—ASIA AND PACIFIC

SEC. 301. In order to carry out in the general area of China (including the Republic of the Philippines and the Republic of Korea) the provisions of subsection (a) of section 303 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1604 (a)), there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$530,000,000. In addition, unexpended balances of appropriations heretofore made for carrying out the provisions of title III of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1602-1604), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed \$50,000,000 of funds appropriated pursuant to this section (excluding balances of appropriations continued available) may be accounted for as provided in subsection (a) of said section 303.

SEC. 302. (a) In order to further the purpose of this act through the strengthening of the area covered in section 301 of this act (but not including the Republic of Korea), there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$237,500,000 for economic and technical assistance in those portions of such area which the President deems to be not under Communist control. Funds appropriated pursuant to authority of this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended, and of the Act for International Development (22 U. S. C. 1557). In addition, unexpended balances of funds heretofore made available for carrying out the purposes of the China Area Aid Act of 1950 (22 U. S. C. 1547), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

(b) The third proviso of section 202 of the China Area Aid Act of 1950 is amended by inserting "and of Korea" after "selected citizens of China" each time it appears therein.

SEC. 303. (a) In order to provide for the United States contribution to the United Nations Korean Reconstruction Agency, established by the resolution of the General Assembly of the United Nations of December 1, 1950, there are hereby authorized to be appropriated to the President not to exceed \$11,250,000. In addition, unobligated balances of the appropriations heretofore made, and available during the fiscal year 1951, for assistance to Korea under authority of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1543, 1551, 1552), are hereby authorized to be continued available through June 30, 1952, and to be consolidated

with the appropriation authorized by this section.

(b) The sums made available pursuant to subsection (a) may be contributed from time to time on behalf of the United States in such amounts as the President determines to be appropriate to support those functions of the United Nations Korean Reconstruction Agency which the military situation in Korea permits the Agency to undertake pursuant to arrangements between the Agency and the United Nations Unified Command. The aggregate amount which may be contributed on behalf of the United States pursuant to the preceding sentence shall be reduced by the value of goods and services made available to Korea by any department or agency of the United States for relief and economic assistance after the assumption of responsibility for relief and rehabilitation operations in Korea by the United Nations Korean Reconstruction Agency.

(c) The provisions of subsections 304 (a) and (b) of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556 (b)) are hereby made applicable with respect to Korean assistance furnished under this section.

(d) Unencumbered balances of sums heretofore or hereafter deposited in the special account established pursuant to paragraph (2) of article V of the agreement of December 10, 1948, between the United States of America and the Republic of Korea (62 Stat., pt. 3, 3788) shall be used in Korea for such purposes as the President determines to be consistent with United Nations programs for assistance to Korea and as may be agreed to between the Government of the United States and the Republic of Korea.

TITLE IV—AMERICAN REPUBLICS

SEC. 401. In order to further the purpose of this act through the furnishing of military assistance to the other American Republics, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$40,000,000 for carrying out the purposes of this section under the provisions of the Mutual Defense Assistance Act of 1949, as amended: *Provided*, That such assistance may be furnished only in accordance with defense plans which are found by the President to require the recipient country to participate in missions important to the defense of the Western Hemisphere. Any such assistance shall be subject to agreements, as provided herein and as required by section 402 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1573), designed to assure that the assistance will be used to promote the defense of the Western Hemisphere; and after agreement by the Government of the United States and the country concerned with respect to such missions, military assistance hereunder shall be furnished only in accordance with such agreement.

SEC. 402. In order to further the purpose of this act among the peoples of the American Republics through the furnishing of technical assistance, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$22,000,000 for assistance under the provisions of the Act for International Development (22 U. S. C. 1557) and of the Institute of Inter-American Affairs Act, as amended (22 U. S. C. 281).

TITLE V—ORGANIZATION AND ADMINISTRATION

MUTUAL SECURITY ADMINISTRATION

SEC. 501. (a) There is hereby established, with its principal office at the seat of the Government, an agency to be known as the Mutual Security Administration, hereinafter referred to as the Administration. The Administration shall be headed by a Mutual Security Administrator, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who

shall be responsible to the President. The Administrator shall have a status in the executive branch of the Government comparable to that of the head of an executive department, and shall receive compensation at the same rate.

(b) There shall be in the Administration a Deputy Mutual Security Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the same rate as that payable to an Under Secretary of an executive department. The Deputy Mutual Security Administrator shall perform such functions as the Administrator shall designate, and shall be Acting Mutual Security Administrator during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

(c) Officers, employees, agents, and attorneys may be employed by the Administrator for duty within the continental limits of the United States in accordance with the provisions of the civil-service laws and the Classification Act of 1949, as amended, except that, of such personnel, not to exceed 100 may be compensated at rates higher than those provided for grade 15 of the General Schedule established by the Classification Act of 1949, as amended, and of these, not to exceed 25 may be compensated at a rate in excess of the highest rate provided for grades of such General Schedule, but not in excess of \$15,000 per annum. Such 100 positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(d) Persons employed for duty outside the continental limits of the United States and officers and employees of the United States Government assigned for such duty, may receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (22 U. S. C. 801-1158), as amended, may receive allowances and benefits not in excess of those established thereunder, and may be appointed to any class in the Foreign Service Reserve or Staff in accordance with the provisions of such act, and assigned to duties for the Administrator.

(e) Alien clerks and employees employed for the purpose of performing functions under this act shall be employed in accordance with the provisions of the Foreign Service Act of 1946, as amended.

(f) Whenever the President determines it to be consistent with and in furtherance of the purpose of this act, the head of any Government agency is authorized to—

(1) detail or assign any officer or employee of his agency to any office or position to which no compensation is attached with any foreign government or foreign government agency: *Provided*, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government; and

(2) detail, assign, or otherwise make available to any international organization in which the United States participates, any officer or employee of his agency to serve with or as a member of the international staff of such organizations.

Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds made available to that agency out of funds authorized under this act.

(g) Experts and consultants or organizations thereof may be employed as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), and individuals so employed may be compensated at a rate not in excess of \$50 per diem.

(h) No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Administrator or the Secretary of State under this act for a period to exceed 3 months unless (1) such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Administrator and the Secretary of State, and until the Administrator or the Secretary of State has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of Government, and is not now and has never been a member of any organization advocating contrary views; or (2) such individual has been investigated by a military intelligence agency and the Secretary of Defense has certified in writing that he believes such individual is loyal to the United States and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate, nor shall it apply in the case of any officer or employee previously investigated and certified.

GENERAL FUNCTIONS OF ADMINISTRATOR

SEC. 502. (a) Except as otherwise provided in this act, there shall be transferred to the Administrator the powers and functions conferred upon—

(1) the Administrator for Economic Cooperation by the Economic Cooperation Act of 1948, as amended, and the Far Eastern Economic Assistance Act of 1950, as amended; (2) the Secretary of State under the Institute of Inter-American Affairs Act; and

(3) the President by the Mutual Defense Assistance Act of 1949, as amended, the Act for International Development, and the act of May 22, 1947, as amended, except the power to conclude international agreements, the power to make appointments by and with the advice and consent of the Senate, such other powers as the President may reserve to himself or delegate to the Secretary of Defense, and the powers enumerated in section 408 (c) of the Mutual Defense Assistance Act of 1949, as amended.

(b) The following agencies and offices shall cease to exist:

(1) The Economic Cooperation Administration and the offices of Administrator and Deputy Administrator for Economic Cooperation;

(2) The office of United States Special Representative in Europe and of Deputy United States Special Representative in Europe created by the Economic Cooperation Act of 1948, as amended;

(3) The office created by section 413 (a) of the Act for International Development;

(4) The offices created by section 406 (e) of the Mutual Defense Assistance Act of 1949, as amended.

(c) Any personnel, upon the certification of the Administrator and with the approval of the Director of the Bureau of the Budget that such personnel are necessary to carry out the functions of the Administrator, and all records and property which the Director of the Bureau of the Budget determines are used primarily in the administration of the powers and functions transferred to the Administrator by this act, shall be transferred to the Mutual Security Administration.

SEC. 503. In order to strengthen and make more effective the conduct of the foreign relations of the United States, and to carry out the purpose of this act—

(a) the Secretary of State, the Administrator, and the Secretary of Defense shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their re-

spective duties which are pertinent to the duties of the other;

(b) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision;

(c) whenever the Secretary of Defense believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the military-security objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision; and

(d) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State or the Secretary of Defense in performing functions under this act, is inconsistent with the purpose and provisions of this act, he shall consult with the Secretary of State and the Secretary of Defense as appropriate, and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

MEMBERSHIP IN OTHER AGENCIES

SEC. 504. (a) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (59 Stat. 512), is amended by striking out "Economic Cooperation Administration" and inserting in lieu thereof "Mutual Security Administration" and by striking out "Administrator for Economic Cooperation" and inserting in lieu thereof "Mutual Security Administrator."

(b) Clause (6) of the fourth paragraph of section 101 (a) of Public Law 253, Eightieth Congress, as amended, is hereby further amended by inserting after "Munitions Board," the following: "the Mutual Security Administrator so long as the Mutual Security Administration shall continue to exist,".

PUBLIC ADVISORY BOARDS

SEC. 505. (a) The Boards provided for by section 107 of the Economic Cooperation Act, as amended, and by section 409 of the Act for International Development shall advise and consult with the Mutual Security Administrator.

(b) The Administrator may appoint such other advisory committees as he may determine to be necessary or desirable to effectuate the purpose of this act.

REGIONAL MUTUAL SECURITY REPRESENTATIVES

SEC. 506. (a) There shall be a United States Mutual Security Representative in Europe who shall (1) be appointed by the President, by and with the advice and consent of the Senate, (2) be entitled to receive the same compensation and allowances as a chief of mission, class 1, within the meaning of the act of August 13, 1946 (22 U. S. C. 801-1158), and (3) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator and receive his instructions from him, and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to among the Administrator, the Secretary of State, and the Secretary of Defense in order to assure appropriate coordination as provided by section 503 of this title. He shall coordinate the activities of the chiefs of such special missions provided for in section 507 of this title as may be placed under his jurisdiction by the Administrator. He shall keep the Administrator, the Secretary of State, the Secretary of Defense, the chiefs of the United States diplomatic missions, and the chiefs of the special missions provided for herein, fully and currently informed, concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he

may require for the performance of his duties under this title.

(b) There shall be a Deputy United States Mutual Security Representative in Europe who shall (1) be appointed by the President, by and with the advice and consent of the Senate; (2) be entitled to receive the same compensation and allowances as a chief of mission, class 3, within the meaning of the act of August 13, 1946; and (3) have the rank of ambassador extraordinary and plenipotentiary. The Deputy shall perform such functions as the United States Mutual Security Representative in Europe shall designate, and shall be Acting United States Mutual Security Representative in Europe during the absence or disability, or in the event of a vacancy in the office, of the Representative.

(c) The Deputy United States Representative North Atlantic Council and the United States Mutual Security Representative in Europe shall keep each other fully and currently informed concerning their activities.

(d) When necessary to carry out the purpose of this act, the President is authorized to appoint not more than three additional Mutual Security Representatives for other regions in accordance with the applicable provisions of subsection (a) of this section. Any Mutual Security Representative appointed pursuant to this section shall be entitled to receive the same rank, compensation, and allowances as the highest ranking chief of any United States diplomatic mission in the region.

SPECIAL MUTUAL SECURITY MISSIONS ABROAD

SEC. 507. (a) Except as provided in subsection (e) of this section, the Administrator may establish in each country receiving assistance under this act a special mutual security mission under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this act. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country; and the chief of the special mission shall be entitled to receive the same compensation and allowances as a chief of mission class 3, or a chief of mission, class 4, within the meaning of the act of August 13, 1946, or compensation and allowances in accordance with section 501 (d) of this act, as the Administrator shall determine to be necessary or appropriate.

(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters including prospective action arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives he shall so advise the chief of the special mission and the United States Mutual Security Representative. If differences of view are not adjusted by consultation the matter shall be referred to the Secretary of State and the Administrator for decision.

(c) With the approval of the Secretary of State the Administrator may if he deems it appropriate direct that the functions of the chief or deputy chief of the special mis-

sion in any country be assumed by the chief of the United States diplomatic mission or any other member of the mission in that country. The member of the mission so designated shall report to the Administrator, and shall receive directions from him, with respect to carrying out functions relating to the purpose of this act.

(d) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Mutual Security Representatives and their staffs, and for each special mission, as may be agreed between the Secretary of State and the Administrator.

(e) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purpose of this act.

ELIGIBILITY FOR ASSISTANCE

SEC. 508. (a) No military, economic, or technical assistance (other than assistance provided under section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the Administrator finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to join in promoting and maintaining world peace and to take such action as may be mutually agreed upon to eliminate causes of international tension. Such agreements shall include appropriate provisions for such country to—

(1) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(2) make, consistent with its political stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world; and

(3) adopt all reasonable military, economic, and security measures which may be needed to develop its defense capacities and to insure the effective utilization of the economic and military assistance provided by the United States.

(b) No economic or technical assistance shall be supplied to any other nation unless the Administrator finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

RESPONSIBILITIES OF SECRETARY OF DEFENSE

SEC. 509. In the case of aid under this act for military items and related technical assistance and advice, the Secretary of Defense shall procure and furnish such military items and related technical assistance and advice: *Provided*, That the Secretary of Defense, after consultation with the Joint Chiefs of Staff and the Administrator, shall determine the priority in which military items shall be allocated. Notwithstanding any other provision of law, during the fiscal year 1952 the Secretary of Defense may furnish (with or without reimbursement from the President) all or part of such military items out of the materials of war whose production in the United States shall have been authorized for, and appropriated to, the Department of Defense: *Provided, however*, That nothing in this act shall authorize the furnishing of military items under this section in excess of 11 percent of the aggregate

dollar value of the materials of war whose production in the United States shall have been authorized for, and appropriated to, the Department of Defense for the 3-year period beginning July 1, 1950. For the purposes of this section, (1) "value" shall be determined in accordance with section 402 (c) of the Mutual Defense Assistance Act of 1949, and (2) the term "materials of war" means those goods, commonly known as military items, which are required for the performance of their missions by armed forces of a nation, including weapons, military vehicles, ships of war under 1,500 tons, aircraft, military communications equipment, ammunition, maintenance parts and spares, and military hardware.

TERMINATION OF ASSISTANCE

SEC. 510. (a) After June 30, 1954, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, none of the authority conferred on the Administrator by this act may be exercised; except that during the 12 months following such date commodities and services with respect to which the Administrator had, prior to such date, authorized procurement for, shipment to, or delivery in a participating country, may be transferred to such country, and funds appropriated under authority of this act may be obligated during such 12-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer and shall remain available during such period for the necessary expenses of liquidating operations under this act: *Provided*, That nothing in this act shall be deemed to extend the period during which any powers under the Economic Cooperation Act of 1948, as amended, may be exercised beyond the date specified for its termination by section 122 of that act.

(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the 12 months following such date, the powers, duties, and authority of the Administrator under this act may be transferred to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, and personnel of the Administration may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

TERMINATION OF ASSISTANCE BY PRESIDENT

SEC. 511. If the President determines that the furnishing of assistance to any nation—

(1) is no longer consistent with the national interest or security of the United States or the policies and purpose of this act; or

(2) would contravene a decision of the Security Council of the United Nations; or

(3) would be inconsistent with the principle that members of the United Nations should refrain from giving assistance to any nation against which the Security Council or the General Assembly has recommended measures in case of a threat to, or breach of, the peace, or act of aggression,

he shall terminate all or part of any assistance furnished pursuant to this act. The function conferred herein shall be in addition to all other functions heretofore conferred with respect to the termination of military, economic, or technical assistance.

EFFECTIVE DATE

SEC. 512. All provisions of this act except subsections (a), (b), and (c) of section 502, and sections 615, 617 (3), and 618, shall take effect upon the date of its enactment. Subsections (a), (b), and (c) of section 502, and sections 615, 617 (3), and 618 shall take effect on such date, not more than 60 days after the date the Administrator first ap-

pointed takes office, as the President shall prescribe.

THE SECRETARY OF STATE

SEC. 513. Nothing contained in this act shall be construed to infringe upon the powers or functions of the Secretary of State.

TITLE VI—GENERAL PROVISIONS

SEC. 601. In order to carry out the purpose of this act, with respect to those countries eligible to receive assistance as provided herein, funds shall be available as authorized and appropriated to the President each fiscal year.

SEC. 602. Whenever the President determines it to be necessary for the purpose of this act, not to exceed 10 percent of the funds made available under any title of this act may be transferred to and consolidated with funds made available under any other title of this Act in order to furnish, to a different area, assistance of the kind for which such funds were available before transfer. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives. In the case of the transfer of funds available for military purposes, he shall also forthwith notify the Committees on Armed Services of the Senate and House of Representatives.

SEC. 603. In order to promote the increased production, in areas covered by this act, of materials in which the United States is deficient, there are hereby authorized to be appropriated to the President for the fiscal year 1952 not to exceed \$55,000,000 to be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

SEC. 604. The Administrator shall require all countries participating in any United States aid program or in any international organization receiving United States aid to so deposit, segregate, or assure title to all funds or property allocated to or derived from any program so that the same shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government.

SEC. 605. (a) In order to bring about the availability of international resources to further the purpose of this act and to reduce requirements for assistance under this act, the Administrator shall ascertain through the National Advisory Council on International Monetary and Financial Problems whether there can be established, and to make recommendations to the Congress on the establishment of, organizations or corporations affiliated with the International Bank for Reconstruction and Development to assist in financing, where adequate financing is not otherwise available on reasonable terms, essential public works and productive enterprises in economically underdeveloped areas.

(b) The Administrator is requested to recommend to the Congress such action as will in his judgment be desirable to eliminate the barriers to, and provide incentives for, a steadily increased participation of private enterprise in developing the resources of foreign countries consistent with the policies of this act. The Secretary of State is requested to undertake, after consultation with the Administrator and the Secretary of the Treasury, negotiations with the representatives of foreign governments looking to the early removal of such obstacles and barriers as now exist to the maximum participation of private enterprise in such development.

SEC. 606. (a) As used in this section—

(1) the term "invention" means an invention or discovery covered by a patent issued by the United States, and

(2) the term "information" means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

(b) Whenever, in connection with the furnishing of military assistance in furtherance of the purpose of this act—

(1) use within the United States, without authorization by the owner, shall be made of an invention, or

(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

(c) Before such suit against the United States has been instituted, the head of the appropriate department or agency of the Government, which has furnished military assistance in furtherance of the purpose of this act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

(d) This section shall not confer a right of action on anyone or his successor or assignee who, when he makes such a claim, is in the employment or service of the United States, or who, while in the employment or service of the United States, discovered, invented, or developed any invention or information on which such claim is based.

(e) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than 6 years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the 6 years, unless suit is brought before the last-mentioned date.

SEC. 607. Notwithstanding any of the provisions of the Defense Production Act of 1950, as amended—

(1) The Administrator shall have responsibility for representing, before the authorities in the executive branch of the Government charged with the administration of title I of such Act, the needs of all countries receiving assistance under this Act, and of such other countries as the President may direct, for United States materials and facilities.

(2) Whenever allocations under such act of United States materials and facilities for foreign countries receiving assistance under this act, and for foreign assistance programs in such countries, are made on an over-all, and not on a country-by-country, basis, the Administrator shall have the authority and responsibility of apportioning, among such countries, the United States materials and facilities so allocated.

SEC. 608. The President, from time to time while funds appropriated for the purpose of this act continue to be available for obligation, shall transmit to the Congress, in lieu of any reports otherwise required by law, reports covering each 6 months of operations in furtherance of the purpose of this act, except information the disclosure of which he deems incompatible with the security of the United States. The first such report shall cover the

6-month period commencing on the date this act becomes effective. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

SEC. 609. (a) Upon a determination by the Administrator that it will further the purpose of this act, not to exceed \$10,000,000 of the funds made available pursuant to section 203 of this act and not to exceed \$25,000,000 of funds made available pursuant to section 302 of this act may be advanced to countries covered by said sections in return for equivalent amounts of the currency of such countries being made available to meet local currency needs of the aid programs in such countries pursuant to agreements made in advance with the United States: *Provided*, That except when otherwise prescribed by the Administrator as necessary to the effective accomplishment of the aid programs in such countries, all funds so advanced shall be held under procedures set out in such agreements until used to pay for goods and services approved by the United States or until repaid to the United States for reimbursement to the appropriation from which drawn.

(b) In order to assist in carrying out the provisions of the Economic Cooperation Act of 1948, as amended, not to exceed \$50,000,000 of funds made available under the authority of this act for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), may be used to acquire local currency for the purpose of increasing the production of materials in which the United States is deficient.

SEC. 610. Funds realized from the sales of notes pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be available for making guaranties of investments in accordance with the applicable provisions of sections 111 (b) (3) and 111 (c) (2) of the Economic Cooperation Act, as amended, in any area in which assistance is authorized by this or any other act to be furnished under any provision of the Economic Cooperation Act of 1948, as amended.

SEC. 611. Funds made available for carrying out the provisions of title I of this act shall be available for the administrative expenses of carrying out the purposes of all of the titles of this act, including expenses incident to United States participation in international security organizations and expenses in the United States in connection with programs authorized under the act for International Development. Any currency of any nation received by the United States for its own use in connection with assistance furnished by the United States may be used by any agency of the Government without reimbursement from any appropriation for the administrative and operating expenses of carrying out the purpose of this act. Funds made available for carrying out the purpose of this act in the Federal Republic of Germany may, as authorized in subsection 114 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1512 (h)), be transferred by the President to any department or agency for the expenses necessary to meet the responsibilities and obligations of the United States in the Federal Republic of Germany.

SEC. 612. The Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), is hereby amended as follows:

(1) In section 11 (c) by adding a new paragraph as follows:

"(3) From the funds made available under authority of the Mutual Security Act of 1951 for assistance to be provided under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), not less than 20 percent shall be

provided on credit terms as specified in that act."

(2) In section 115 (b) (6) by—

(A) inserting in the second proviso thereof after "wealth" the following: "for the encouragement of emigration pursuant to subsection (e) of this section";

(B) adding in the last clause of the second proviso "and operating" after "administrative";

(C) striking from the last clause of the second proviso "within such country"; and

(D) adding at the end thereof the following new sentences: "The Administrator shall exercise the power granted to him by this paragraph to make agreements with respect to the use of the funds deposited in the special accounts of the 'participating countries' (as defined in section 103 (a) hereof) in such a manner that the equivalent of not less than \$500,000,000 of such funds shall be used exclusively for military production in such 'participating countries.' The amount to be devoted from each such special account for such use shall be agreed upon by the Administrator and the country or countries concerned."

SEC. 613. (a) Section 402 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1573), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following:

"(e) Guaranties by such eligible nation that it will not undertake any act of aggression against any other state."

(b) Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1580), is hereby amended by adding in the first proviso thereof, after the words "of which it is a part," the words "or in United Nations collective security arrangements and measures," and by changing the figure at the end thereof to "\$500,000,000."

SEC. 614. The proviso in the first sentence of section 403 (d) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1574 (d)), is hereby amended to read as follows: "*Provided*, That after June 30, 1950, such limitation shall be increased by \$250,000,000 and after June 30, 1951, by an additional \$450,000,000."

SEC. 615. Section 104, subsections (b) and (c) of section 105, and sections 108 through 110 of the Economic Cooperation Act of 1948, as amended, are hereby repealed.

SEC. 616. (a) In order to effectuate the purpose of section 136 of the Legislative Reorganization Act of 1946, as amended, the Committee on Foreign Affairs of the House of Representatives is authorized to appoint and, in accordance with the provisions of that act, fix the compensation of such professional and clerical personnel, in addition to those authorized by existing law, as may be necessary to enable the committee to oversee the performance by the executive agencies concerned of their duties, responsibilities, and functions under this act in the interest of an efficient and economical administration of this act.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, to be disbursed by the Clerk of the House of Representatives on vouchers signed by the chairman.

(c) In every country where local currency is made available for local currency expenses of the United States in connection with assistance furnished by the United States, the local currency administrative and operating expenses incurred in fulfilling the purpose of this section shall be charged to such local currency funds to the extent available.

SEC. 617. The Act for International Development is amended as follows:

(1) By adding before the period at the end of section 404 (b) the following: "*Provided*, That for the fiscal year ending June 30, 1952, such contributions from funds made avail-

able under authority of sections 101 (a) (2), 203, 302, and 402 of the Mutual Security Act of 1951 shall not exceed in the aggregate \$13,000,000, and the use of such contributions shall not be limited to the area covered by the section of the act from which the funds are drawn".

(2) By adding at the end of section 407 a new paragraph:

"(d) Participating countries shall be encouraged to negotiate agreements with the United Nations and its specialized agencies, or otherwise, to establish fair labor standards of wages and working conditions and management-labor relations."

(3) By repealing sections 413 and 414.

SEC. 618. The Institute of Inter-American Affairs Act is amended as follows:

(1) By striking out "Department of State" wherever it occurs in section 5 and inserting in lieu thereof "Mutual Security Administration"; and

(2) By amending section 8 to read as follows:

"Sec. 8. The Mutual Security Administrator shall have authority to detail employees of the Mutual Security Administration to the Institute under such circumstances and upon such conditions as he may determine, and the Secretary of State, upon the request of the Mutual Security Administrator, may detail employees of the Department of State to the Institute: *Provided*, That any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of the Government by virtue of such detail."

Mr. RICHARDS (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill from this point, title III, be considered as read, be printed in the RECORD, and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 16, lines 23 to 25, inclusive, after the word "Senate", strike out the words "such other powers as the President may reserve to himself or delegate to the Secretary of Defense."

[Mr. VORYS addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ROOSEVELT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. VORYS].

Mr. Chairman, the gentleman from Minnesota [Mr. Judd] quoted Mr. Hoffman about the importance of this new Administrator being of Cabinet rank. These few words here in no way removes the Cabinet status of this administrator as created in the pending bill. It simply says that with regard to the Mutual Defense Act those powers given to the President under that act, and it does not refer to any of the other acts like ECA, but only to the Mutual Defense Assistance Act of 1949, the President can reserve to himself or delegate to the Secretary of Defense.

Now, actually the President can, under an interpretation of these words, reserve to himself only those powers which he is going to personally exercise or delegate to the Secretary of Defense to exercise for him. He could not, in accordance

with these three lines, set up another ISAC, and I refer you to section 301 of title III of the United States Code which says:

The authority conferred by this chapter shall apply to any function vested in the President by law if such law does not affirmatively prohibit delegation of the performance of such function as herein provided for, or specifically designate the officer or officers to whom it may be delegated.

The other point is this: This military job must be run by the Defense Department insofar as the end items are concerned. They must coordinate the production in this country; they must coordinate the requirements of our overseas Allies and our own requirements for national defense. These words do not take away from the new administrator the responsibility to carry on the coordination of the military aspects of the program with the economic problems in each country. They do not take away from this new administrator his responsibility to stimulate the new military production in each country and to coordinate the military production of Western Europe, so that we do not have a lot of duplication country by country.

There is a third point. The organization of this mutual security program, as I see it, must be flexible enough so that if we get into a war—and God help us if we do, and the whole purpose of this is to avoid war—but if we get into a war we must have a flexible enough set-up so that the responsibility of the President of the United States and the Secretary of Defense will immediately come into play. If you take the military powers, under this act and give them completely to the administrator, then there is no functional way in which the voice of the Joint Chiefs of Staff or of General Eisenhower's headquarters can directly come to the administrator except through the Secretary of Defense and the coordination provided in other sections of the bill.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from New York.

Mr. KEATING. I emphatically agree with the gentleman that the military matters must be handled by the military, the allocation of end items, and so on. I do not understand why it is necessary to have this language in the light of the language in section 509.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to extend my remarks in connection with the amendment offered by the gentleman from North Carolina [Mr. COOLEY] at the end of section 205.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

(Mr. SIEMINSKI asked and was given permission to extend his remarks at this point in the Record.)

Mr. SIEMINSKI. Mr. Chairman, I should like to address myself to section 303 of the bill before us. This section contains the appropriation authorization for the United Nations Korean Reconstruction Agency.

This is the Agency which we and the other members of the United Nations have set up to help the people of Korea—first, by providing the bare necessities required to keep them alive, such as food, clothing, medicine, and shelter; and second, by helping toward the repair of the terrible devastation of war. Our experts and those of the other members of the United Nations have agreed on the shares which they should ask their legislatures to authorize and appropriate.

The contribution which this new Agency needs from the United States is \$112,500,000 of new funds plus the transfer of certain old funds already appropriated to the ECA but not spent. I am sure that no one who has seen or read about the destruction in Korea will doubt that at least this much money is needed from the United States to help the Korean people.

There is one major point, however, which must be considered and which was specifically considered by the Foreign Affairs Committee: that is the fact that during the continuation of hostilities the major part of the relief work will have to continue to be the responsibility of the military authorities in Korea and the United Nations agency will be able to work in only a limited scope. For this reason the committee concluded that it was not necessary at this point to authorize the full sum needed and that the smaller sum of \$11,250,000 of new money when added to the sum to be transferred from ECA would be enough as a temporary, partial action.

I would prefer that the entire sum be authorized now so that the necessary appropriations could be made from time to time as needed without the further authorizing action of the Congress. A full authorization now would be a clear indication to the other participating nations that the United States Congress is prepared to contribute our full share and would be the best way to call upon them to contribute their full shares.

Nevertheless, despite my own preference, I cannot contend that the proposal of the committee is completely unreasonable and I am prepared to acquiesce in it and I have no doubt that the House will sustain the committee's recommendations. In doing so, however, I feel that the Members of the House, the people of Korea, and our friends in the United Nations who are with us in the United Nations Korean Reconstruction Agency should very clearly understand what our attitude is and why we are handling this authorization in this manner.

I am confident that it is the firm intention of the Congress to join with other members of the United Nations to help the Korean people to survive and to rebuild their country. I am confident it is the intention of the Congress to authorize and appropriate the full share of the United States for the United Nations Korean Reconstruction Agency. The people of Korea who are looking to us for help and the nations who are joining with us to help them should understand that the sum authorized in this bill is intended to be only a down payment on our full contribution and that the rest will be made available when it is needed. I believe this

is the intention of the committee, I believe this is the intention of the House; and with this understanding, I will vote for this section.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

(Mr. STEFAN asked and was given permission to revise and extend his remarks.)

Mr. STEFAN. Mr. Chairman, over a period of years I have been calling attention of the House to the increasing danger of the deterioration of our State Department and Foreign Service because of overlapping and duplication by other agencies of our Government which has resulted in the bypassing of our chiefs of mission abroad.

We are now considering H. R. 5113 authorizing the Mutual Security Act of 1951. I feel sure that unless title V of the bill which deals with the organization and administration is amended, our Foreign Service will be further bypassed and made ineffective. The cooperation of our Economic Coordination Administration and the State Department was so serious up to a year ago that the President by Executive order instructed clearance of these economic and political activities through the chiefs of our missions. I do not feel that sufficient language is contained in this section to assure this cooperation. The language contained in the section follows very closely the language contained in the present ECA Act. At the local level it requires the Secretary and the new Administrator to keep each other informed with the right of appeal to the President in case of disagreement and at the country level it requires the Ambassador and the representative of the new Administrator also to keep each other informed with right of appeal to the Secretary of State and the Administrator in case of a disagreement.

The language in the present ECA Act has worked fairly well but only after the President approved an interdepartmental agreement last February which provided that the two representatives abroad must constitute a team under the leadership of the Ambassador. It is my feeling that this language is inadequate when it is applied to the new agency because ECA now has a limited field. It distributes money for recovery purposes and asks the recipient countries to do very few things which they do not want to do. Therefore, the administration of the ECA programs does not require many decisions involving foreign policy.

On the other hand, this new agency will cover a broader field. In addition to economic aid, it will have a strong voice in determining the amount and kind of military aid and will cover a large number of new countries under the point 4 program. In many countries, especially in Europe, it will require governments and countries to do many things they do not wish to do such as raising their defense budgets, military service, military production, curbs on inflation, revision of tax laws, wage scales, land reforms, and so forth. In some cases, especially in the case of North Atlantic treaty countries, these

negotiations have to be done within the framework of the NATO. There are other problems—world security pact rights to air and other bases, and other negotiations and matters which require the highest kind of diplomatic skill constituting an inseparable part of carrying on our foreign policy.

While ECA has been headed by two men with unusual willingness to cooperate, there is no assurance that this will continue to be true in the future. Under these circumstances, it seems to me that even if the ECA language in this new bill is followed in every instance, the mere exchange of information is not adequate to insure that the new administrator or his country representative will not run off with the ball and in substance direct our foreign policy. It would seem far wiser to build on the present set-up of perfecting the operation of the International Security Affairs Committee which has done a remarkable job in spite of the fact that it has been in existence only since early in 1951. The least we can do is to amend H. R. 5113 so that the President has power to make further provisions to insure coordination if, as seems possible, difficulties develop.

Partly for this reason I call your attention to the following excerpts from the Brookings Institution Report, which was released recently and which expresses considerable concern regarding these matters. In a report prepared for the Budget Bureau by the Brookings Institution, dated June 1951, page XX, sections 7 and 8, of the Summary reads as follows:

PORTIONS OF THE BROOKINGS REPORT

7. All existing programs of military and economic aid should be directed toward the same goal in the present national-defense emergency. The current diffusion of such programs, with variety in objectives as well as in administrative arrangements, is no longer appropriate. All forms of foreign aid should so far as possible be conceived, authorized, and carried out as one program, with a single controlling declaration of policy.

8. The administration of a unified program of military and economic aid should be carried out jointly by the Department of Defense, the Economic Cooperation Administration, and the Department of State. Some form of central coordination or direction must be provided, but the method by which this is to be done with sufficient effectiveness is a matter of great difficulty and complexity. It is our conclusion that effective authority to direct the operations of all three agencies in a unified program cannot be vested in any one of them, in view of the magnitude and importance of the tasks to be performed by each of the several agencies and their status as coequals.

It may be possible, nonetheless, to secure successful program administration while relying primarily upon voluntary interagency agreement through the existing mechanism of the International Security Affairs Committee, of which the Department of State holds the chairmanship. The test of the effectiveness of this device, however, is whether three important conditions are met. One such condition is clarification of relationships between the Economic Cooperation Administration and the Department of State. Another is continued activity on the part of various units of the Executive Office of the President in support of coordination at the departmental level. A third is sufficient unity in the Government as a whole to make it possi-

ble for the Department of State to exercise effectively the leadership responsibility that has been assigned to it.

If some or all of these conditions cannot be met, it may become necessary to give further consideration to the possibility of appointing a director of military and economic aid in the Executive Office of the President. Consideration should also be given to the possibilities inherent in the further development of the National Security Council through the establishment of a full-time vice chairman with responsibility under the President for executive leadership in the coordination and execution of all phases of national security policy, including the unified program of military and economic aid. Meanwhile, the existing arrangements in the form of the International Security Affairs Committee and the Director of International Security Affairs in the Department of State should not be lightly upset. Basic policy underlying the program should continue to receive the attention of the National Security Council in the preparation of recommendations for approval by the President.

Also on page 231 under Administration of Military and Economic Aid, the report reads:

In the present period of national defense emergency, there can be no doubt that all of the existing programs of military and economic aid should be directed toward the same goal. The goal is to strengthen the free world against the possibility of Communist attack or subversion. The current diffusion of foreign aid activity, with a variety of objectives at least partially inconsistent with each other and with equal variety in administrative arrangements, no longer seems appropriate.

We therefore reaffirm the conclusion of our preliminary report in December 1950, that all forms of foreign aid should so far as possible be conceived, authorized, and carried out as one program, with a single controlling declaration of policy.

As we said before, this does not mean that the entire administration of a unified program of military and economic aid can or should be carried out through a single executive department or agency. The Department of Defense must continue to be responsible for a great part of the unified task. The Economic Cooperation Administration should be continued and should likewise be responsible for a great part of the unified task. The Department of State already occupies an important position in the efforts that have been going on in recent months to bring about a greater unification of the existing programs; it should continue to have major responsibilities in the unified task.

But there is question as to the exact extent of the appropriate responsibilities of the Department of State, as indicated by the previous discussion in this chapter under the first issue. In our preliminary report, we favored arrangements along the lines presented in this chapter as the fourth alternative under Issue 1. Those arrangements, while recognizing major responsibilities of all of the agencies concerned, would have made specific provision for centralized leadership above the departmental level through the appointment of a director of military and economic aid in the Executive Office of the President.

And on page 256, under Relationships Among Overseas Staffs, the report reads:

There are many other issues arising out of the fact that the United States now has a dual representation in countries where the Economic Cooperation Administration has established special country missions. This has produced some anomaly in relations

with the countries concerned, and has at times created uncertainties as to where contact with the United States should occur. The area of uncertainty has increased as the Economic Cooperation Administration has become increasingly influential in politico-economic and mutual-defense questions.

Misunderstandings have arisen in part from the fact that a separate line of communications flows to and from the Economic Cooperation Administration missions. By law the ambassador is entitled to be kept "fully and currently informed on matters, including prospective action, arising within the scope of the operations" of the country mission, and most country mission chiefs have been careful to keep him informed wherever he has shown an interest. A similar problem arises with respect to the Ambassador keeping the Economic Cooperation Administration mission chief adequately informed. Such difficulties appear to be decreasing with the development of better relations between the missions.

Some discontent has prevailed among Foreign Service personnel because of the feeling that an activity was going on in their midst that bore a close relation to what they were doing yet about which they were not fully informed. This feeling has also stemmed in part from the fact that the country mission chief ranks in all places next after the ambassador and above the career service, and in part from the fact that the Economic Cooperation Administration missions have included substantial numbers of high-ranking and highly paid personnel.

The problems of acquiring and reporting economic information have not everywhere been successfully resolved. In some instances the point of friction has had to do with the functions of the office of the economic counselor of the embassy. The introduction of large research and reporting staffs in the Economic Cooperation Administration missions has duplicated in some degree the functions of the economic sections of the embassies, as has the establishment of contacts with the economic agencies of the foreign governments.

Some ambassadors have been eminently successful in overcoming difficulties by displaying ingenuity in staff arrangements, and by developing a sense of teamwork to meet emergency conditions. In Rome, the counselor of embassy for economic affairs is economic policy adviser to the Economic Cooperation Administration country mission chief. In Brussels, the economic counselor is at the same time the Economic Cooperation Administration deputy mission chief.

Both of these devices have worked well. In a few places, there has been a degree of duplication and cross-purpose which has worked to the disadvantage of both the embassy and the Economic Cooperation Administration mission. The Department of State and the Economic Cooperation Administration are currently seeking to overcome this duplication and confusion.

With United States military and economic aid programs both directed to the same goal of increasing the strength of friendly nations, close relationship between the Economic Cooperation Administration missions and the MAAG's is an obvious requirement. Thus, although the decision to operate independent economic aid missions appears to have been wise at the time from the standpoint of accomplishing rapidly the European recovery program, changes which have since occurred in the world situation suggest that it may be desirable to review this decision before accepting the present arrangement as a permanent basis for handling foreign economic aid.

I sincerely feel that title 5, page 13, organization and administration for mutual security administration, section 50,

if adopted, will result in the deterioration of our foreign service and will continue making the chief of the American Mission the third important American official in the foreign field. If the House insists on keeping this section in the bill, it should be amended to give the President the power through executive order to coordinate all of the foreign activities through the regular chief of American Mission. This order was issued the first time by the President a year ago and, in my opinion, was made necessary because of the confusion that existed in the bypassing of our chief of foreign service by representatives of other agencies of the American Government.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Montana.

Mr. MANSFIELD. I want to compliment the gentleman from Nebraska on the statement he has presented to the House, because I think he has hit on one of the weak points of this new administrative agency which this committee has included in the bill. I had the same fear as the gentleman, that the person who should be the senior member of any combination of missions in any one country, namely, the Ambassador, is going to be bypassed, and a very critical situation will arise as the result.

Mr. STEFAN. The gentleman knows that this was completed in the last hours of the hearings, and very hurriedly; that amendments were offered, which were turned down, which would require the coordination of all of these very important political problems through the leadership of our chiefs of mission abroad.

Mr. HERTER. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, the only purpose of the amendment offered by the gentleman from Ohio [Mr. VORYS], as I read it, is to avoid the type of situation for which this entire organizational set-up is in the bill. The purpose of it is to have a clear line of operative responsibility through the single administrator.

The great difficulty in the set-up that was evolved in recent months was that the money which was appropriated to the President for the very purposes specified in this act was all transferred to the Department of State. The Department of State then parceled out to the Secretary of Defense, or to various other agencies of the Government, whatever amount of money the Department of State saw fit to parcel out. It was at that point that the full responsibility granted to the President was transferred to the Secretary of State. That same thing could be done, if the wording that is in the bill is left in it, and is not stricken out. The only purpose for striking it out is to complete a type of organization which every outside agency, and every outside witness, who came before the committee, recommended strongly as the most effective operating type of organization.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. VORYS. The gentleman from Nebraska is the first Member of Congress who has recommended the ISAC structure.

Mr. HERTER. It so happens that the head of ISAC and the deputy ISAC are constituents of mine and close personal friends of mine. Both come from the city of Boston, and are very fine, able gentlemen. One of them is a former president of the United Fruit Co. In spite of that fact, I am afraid the organizational set-up which they head, is not in the interest of efficiency.

We are doing nothing that goes beyond the ECA organization. I think I have been to almost as many foreign missions as the gentleman from Nebraska, and I have never seen any conflict between the ECA Administrator and the head of our foreign missions, or our foreign service officers except where it was a question of personalities. The lines of responsibility remained entirely clear.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. VORYS. In this reorganization, we keep exactly the provision in ECA for consultation between the Secretary of State, the Administrator, the Secretary of Defense, and in case of a dispute, the matter goes to the President.

Mr. HERTER. The gentleman is quite right. We are not taking away any authority from a single foreign officer.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. STEFAN. Under the bill, the representative of the Administrator can appeal to the Administrator. The diplomat in the foreign field can appeal to the Secretary of State. And if they do not agree, both of them go to the President. By that time, the damage has been done.

Mr. HERTER. No, from the practical point of view today, all of this is being done by the foreign missions, every one of which is headed by an Ambassador. There has never been any effort either by the military or by the ECA to take from the Ambassador his primary responsibility as the chief American official in any foreign country.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. KEATING. I am very interested, as the gentleman knows, that there be no interference with the handling of the military end items by the Department of Defense. Does the gentleman feel that the other provisions of this bill are sufficient, and that this reservation is not necessary in order that the Department of Defense may handle the military end items throughout the bill?

Mr. HERTER. The intent is perfectly clear. The way this is drafted, the President can reserve to himself rights which upset all the rest of the intent of the bill.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. JUDD. Is it not true that on this recent subcommittee trip to Europe in

every country we asked our Ambassador whether our ECA or military representatives carrying on this program had interfered with his functions as chief of mission and chief spokesman for the United States, and whether there had been in fact two voices speaking for the United States, one the voice of the Ambassador and the other the voice of the ECA, stronger because he had the money bags, and in every single case they told us that had not been the situation? We are not trying here to weaken our foreign service. We are trying to get a short-term, hard-headed, efficient organization which can carry on this as a business operation.

Mr. HERTER. The gentleman is quite correct. I know of one case where an American Ambassador was in trouble continuously with the ECA representative, and, I am frank to admit, that that particular Ambassador has long since been replaced, and should have been replaced long before the trouble arose.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT as a substitute amendment: On page 16, line 24, strike out the word "or" and substitute the words "for personal exercise such other powers and functions of a military character as the President may."

The CHAIRMAN. The gentleman from New York is recognized.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield that I may make a unanimous-consent request?

Mr. ROOSEVELT. I yield to the gentleman from Montana.

Mr. MANSFIELD. I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection?

Mr. GROSS. Mr. Chairman, I object.

Mr. MANSFIELD. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 15 minutes.

The question was taken and the motion was agreed to.

The CHAIRMAN. The gentleman from New York.

Mr. ROOSEVELT. Mr. Chairman, as I understand the arguments of the gentleman from Ohio [Mr. VORYS] and the gentleman from Massachusetts [Mr. HERTER], they fear that the present language would permit the President of the United States to delegate authority to the Secretary of State and through him set up another agency. My amendment completely eliminates that possibility, because he says he may reserve to himself "for personal exercises." In other words, he can only reserve those powers which he personally is going to exercise, or such other powers and functions of a military character as the President may delegate to the Secretary of Defense. That takes care of Mr. KEATING's problem, which I think all of us are in agreement with, that the Secretary

of Defense must run this military program.

Let me just touch on that proposition for a second. I look upon this NATO army as in effect just another one of our armies in the defense of the freedom of the world. I think the Secretary of Defense has the prime responsibility which no other official of the Government ought to have anything to do with, when it comes down to arming that army. It is not going to be worth anything unless it is properly equipped. The only service who can properly equip it is our Defense Department and our military services.

I think the gentleman from Ohio [Mr. VORYS] might accept this wording. Would the gentleman consider accepting this amendment, because I have limited these powers which the President has reserved to himself only to those which he will exercise personally, and such other powers and functions of a military character as the President may delegate to the Secretary of Defense? I think I have met the gentleman's objection.

Mr. VORYS. I have only had a brief time to consider it, but so far I certainly would not agree. I will explain my reasons in my own time.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. HERTER. When the gentleman speaks about exercise by the President of his own personal power, would that not mean that he could delegate within his own office, turn over all the money to Harriman to spend as his personal representative?

Mr. ROOSEVELT. No. Under the section that I read before, the President cannot turn over to Mr. Harriman or to anybody, unless the Congress of the United States has written it into the legislation. Here we say that he cannot reserve any power except that which he is going to personally exercise. That does not mean personally exercised by Mr. Harriman or it does not mean personally exercised by anybody else in his office. "Personally exercised by the President" means just what it says. I cannot agree with the gentleman from Massachusetts [Mr. HERTER].

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ARENDS. Mr. Chairman, I ask unanimous consent to proceed for 1 minute in order to ask the majority whip if he can inform the House as to the program for next week.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRIEST. Mr. Chairman, I am happy to comply with the request of the distinguished minority whip.

On Monday we will have the Consent Calendar. Following the Consent Calendar the supplemental appropriation bill for 1952. I believe it was pointed out earlier in the day that this is a rather important supplemental appropriation bill, and it is quite likely that there will be one or two sharp controversies. I mention that in order that Members may know how to govern themselves on Mon-

day with reference to this supplemental appropriation bill.

On Tuesday we will have the Private Calendar and following that Senate Joint Resolution 42. That is an interstate oil compact.

The rule provides, I believe, for 1 hour of general debate. Of course, there are primaries in the State of New York on Tuesday, and we would expect if a record vote were requested on this joint resolution or any other matter for that day to ask unanimous consent that the roll call go over until Wednesday.

Following this legislation, Mr. Chairman, we shall undoubtedly get the conference report on the Defense Housing Act. I understand that the conferees hope to reach an agreement so that it can be filed about Monday. Then, of course, we may get the civil-functions appropriation bill conference report. That will then leave two other conference reports, Armed Services and State and Justice, that have not yet been passed by the Senate. Should they be passed and come out of conference during the week, we would, of course, get those conference reports also. If they are not, we would expect later in the week to propose a continuing resolution for those departments whose appropriation bills are not yet out of conference.

Mr. ARENDS. I thank the majority whip. I was very hopeful that we could get all these things cleaned up by the middle of the week.

Mr. PRIEST. I assure the gentleman that we will get through them just as rapidly as possible.

The CHAIRMAN. The gentleman from Iowa [Mr. GROSS] is recognized.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, we are hearing again the same euphonious arguments in favor of this bill that have been dished up for the last 2 years.

Look at the cover to the report on this bill. What does it say—Mutual Security Act of 1951. Well, first of all how "mutual" is this security? How much mutuality has been demonstrated in Korea? Let the figures speak for themselves—less than a thousand dead listed for the countries that even claim to be fighting with American troops in Korea. And how much mutuality has been demonstrated in financing that war? The United States has footed the entire bill and we are told again this afternoon that we will probably be called on soon to gouge out of the American taxpayers' pockets another \$5,000,000,000 to finance what was stupidly called a police action when it started more than a year ago.

And then we read this title to the bill:

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Who, from some sweet land of milk and honey, dreams up the lyrical titles to these huge spending bills? And then we read on through this bill to find more

verbal tripe, attempting to justify the spending of billions so that the nations receiving this dole may, and I quote, "meet their responsibilities."

When, I ask, is this Congress going to begin thinking in terms of the responsibilities that are being loaded on our own Americans, their children, and the children yet unborn?

Beyond the high-sounding words in this bill and in the report I find nothing describing how ECA money was used to build a gambling casino in France and a plush night club in Italy.

I hold in my hand a clipping from the Daily American, an English-language newspaper published in Rome, which describes a cocktail party for a newly arrived American pooh-bah in the Italian capitol. The date is April 1, 1951—so it is not ancient by any means.

A friend of mine, who made this available said:

I think you will be amused by this guest list at a cocktail party given upon the arrival of a new American official in Rome. I believe it's the longest one ever printed in this paper. About 80 percent of the guests were Embassy, military, or ECA people in Rome.

Then my friend adds:

It's easy to throw parties like that when you can get diplomatic booze for \$1 a bottle and cigarettes at \$1 a carton.

Social life in American diplomacy, he says, apparently has picked up again.

Yes, no matter how well American taxpayers' pockets are being emptied to pay the bills, social life for the American policy makers in foreign lands must go on as usual.

I have listened to most of this debate and I haven't heard any of the proponents of this measure describe the progress that is being made by the ECA spenders in building of roads in the jungles of British Africa, the French Cameroons and the Belgian Congo. Additional millions of American dollars are going into road building in French Indochina, Siam, Malaya, Burma, New Caledonia, and the British East Indies. This while the people of our own States and municipalities are bonding themselves to build roads and whooping up property and other taxes to pay the bills.

And how many foreign troop divisions, in being, are we going to get out of the billions we are now spending on arms and equipment for them? How many have been produced to date? The net results for the billions already swept down foreign drains are virtually nil, except to provide jobs for a bunch of high priced foreign experts and consultants of every stripe.

The gentleman from Massachusetts [Mr. KENNEDY] says in effect that Eisenhower is trying to force European countries into building an integrated army. Are we sending American boys to Europe to fight communism who may have to depend upon that quality of troops for help? If that is true, then we should lose no time in withdrawing our troops to the continental United States instead of sending more of them abroad.

And the gentleman from Massachusetts [Mr. HERTER] says the question is

whether we will stand up with these foreigners.

It is never a question with the internationalists of whether the people of other countries will stand up with us.

How much longer do we propose to listen to the siren songs of these internationalists? How much longer is it proposed to make chumps of the American people?

I say there is no better time than right now to cut off this so-called ECA spending and limit military assistance to the support of our troops now in Europe.

Not another dime and not another American soldier until these foreign governments and the people of these foreign countries show a complete willingness to work and, if necessary, fight for freedom and justice in the world.

The CHAIRMAN. The gentleman from Ohio [Mr. VORYS] is recognized.

Mr. VORYS. Mr. Chairman, listening to the reading of the amendment offered by the gentleman from New York I was struck by the words that the President may reserve something to himself for personal exercise. I was afraid it would refer to a naval base at Key West. I was opposed to it right then and there, because I did not think we should reserve anything to the President for personal exercise.

Reading a little further into it and considering it more seriously, I still think that it does not accomplish what we had in mind. You will remember that we turn over with certain exceptions the powers of the President in the MDAP law to the new Administrator. That law is 22 pages long. I shall not attempt to read it to you here, but if we leave in the original language, and I fear if we leave in the language of the substitute we may find that we have turned over to the President a lot of things that we expected the new Administrator should do. I therefore hope, Mr. Chairman, that the substitute will be defeated, and that the amendment taking out this general reservation of powers of the President in this 22-page bill will be adopted.

My friend from Nebraska [Mr. STEFAN] in his opposition to this amendment is very frankly opposing all of title V for reasons that, of course, were very valid to him. Were conditions otherwise I might be inclined to join with him because I look forward to the day when we shall have a department of foreign affairs, when all of these matters will be under one head. But for the present, since the President himself wants to continue the ECA head as an independent executive, and since this bill proposes the MDAP head as an independent executive, I do not see any possibility of arriving at the form of organization which the gentleman from Nebraska contemplates. Overseas, as well as in this country, this organization of title V is precisely the same as now exists under the ECA law; in fact, much of the language is copied from that law. So I hope the House will help us rectify what I feel was a little mistake we made in the drafting of this bill so that the bill can go back to the form which the committee considered and reconsidered so carefully

before it hastily adopted the language which my amendment seeks to strike from the bill.

The CHAIRMAN. The question is on the substitute offered by the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent that my substitute be read again.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk reread the Roosevelt substitute.

The CHAIRMAN. The question is on the substitute offered by the gentleman from New York [Mr. ROOSEVELT].

The question was taken; and on a division (demanded by Mr. ROOSEVELT) there were—ayes 66, noes 126.

So the substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. ROOSEVELT) there were ayes 134, noes 91.

So the amendment was agreed to.

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER: On page 26, line 16, after "July 1", strike out "1950" and insert "1949."

Mr. HERTER. Mr. Chairman, this amendment is purely a correction of a clerical error so as to make the language of the bill conform with the clearly expressed language as shown in the report. I am sure there is no objection to this amendment by the chairman or the members of the committee.

Mr. RICHARDS. Mr. Chairman, if the gentleman will yield, that is a correct statement, and I join with the gentleman in that request.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

(Mr. CHIPERFIELD asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CHIPERFIELD. Mr. Chairman, I have grave misgivings about H. R. 5113, not because of its objectives, but because I have serious doubts whether this bill, as part of a longer-range program, will keep us from becoming involved in world war III.

Our foreign policy to establish the North Atlantic Pact was determined by the executive branch of our Government. It was consummated by our signing a treaty with certain countries of Western Europe. This treaty was only confirmed by the Senate, and the House of Representatives had no voice in establishing this policy.

Under article IX of the Atlantic Pact it was agreed to set up a council of the nations involved whose duties are to plan for their common defense and security. This resulted in the formation of the North Atlantic Treaty Organization commonly called NATO. They in turn proposed plans for the defense of Western Europe. The United States was then asked to give military and eco-

nomic assistance to the NATO countries. The House of Representatives was asked to implement this program and only then did we have an active voice in determining whether we approved of such a policy.

The authorization for such a program was submitted to the Foreign Affairs Committee of which I am a member. In 1949, Congress approved giving military assistance of a limited amount to the NATO nations. At that time, in a minority report, several members of the Foreign Affairs Committee, including myself, questioned the effectiveness of such a program and expressed grave doubts whether we could establish a ground defense in Europe that would be successful against the Soviet's well-known power in that respect.

In our report we suggested alternative courses of action and argued that the emphasis for defending Europe should be on air power strategically based and maintained in a constant state of readiness to meet the impact of sudden aggression. It seemed to us there was a very real danger that after pouring into Europe billions of dollars of economic aid under the Marshall plan and billions of dollars of military assistance we still would not be strong enough in that area to prevent Russia and her allies from overrunning Europe and nullifying all our efforts.

In my considered judgment that is still the situation today. How can anyone judge the Marshall plan and our military assistance up to date as a success with this great threat confronting us?

But now we must consider what is best to do under existing circumstances and face the facts as they are today. It does no good to say that one prefers another foreign policy which is nonexistent. For example, many believe the best way of maintaining the peace and our own security would be to make ourselves strong at home and not attempt to defend all the critical areas of the world from communistic aggression. It is thought by attempting to do so we would place such an economic burden on the economy of our country that we would weaken ourselves at home. By spreading our military strength over a great many strategic areas of the world, we would weaken our strength to such an extent that we would make ourselves vulnerable to the forces which confront us in a number of vital spots around the periphery of Russia and her satellites.

But wishful thinking does no good. We are confronted with actualities. No one can deny the fact our foreign policy has been determined primarily to defend Western Europe from aggression and to assist so far as possible the countries friendly to ourselves. No one can contradict the fact the President, the State Department, the armed services, and the Chiefs of Staff have agreed to furnish for the defense of Western Europe six divisions and the accompanying divisional slices. This means 400,000 of our men are going to be sent to Europe and England. Three hundred and forty thousand of them will compose the six divisions and their supporting units. Sixty thousand will be in our Air Force.

We have also committed our naval forces to the Baltic and Mediterranean areas. Already three divisions are in Europe, plus a large percentage of our tactical and strategic Air Force.

The question then arises, What are we going to do about the situation as it actually exists? Does it do any good to say that our policy should be to withdraw from Europe and make ourselves strong at home? Does it do any good to advocate the policy some of us wish, that we rely chiefly on air power? The fact that our men are in Europe and our military strength, tanks, guns, and other matériel are being poured into that area nullifies such a contention.

Therefore, those who would take the position that we should not have attempted a foreign policy to defend Europe, by means of ground forces in Europe, are faced with the reality that the administration's policy to rely on ground troops is actively being carried out—and there is no practical way to stop it.

This program has already been in active operation for 2 years, and there is not the slightest doubt that this bill, giving aid for the third year, will pass. We are, therefore, confronted with a Hobson's choice—no choice at all. With our boys and matériel in Europe, we are faced with the responsibility of, first, whether we should abandon them, or, second, the uncalculated risk of going ahead with the program and furnishing all the assistance possible as quickly as it can be done.

As I said before, this is a Hobson's choice—no choice at all. But I can see no alternative, as long as the policy has been established and our boys and military strength have been committed, but to take the one course that is left—even with its admitted danger, risk and possible disastrous result—and give every possible assistance to our own forces and our allies.

As I have indicated, I thought this task an almost impossible undertaking; and while I would not be a forecaster of doom, I would not prophecy, on the basis of present information, that the administration's policy will be successful. However, since there is apparently no other alternative course, I see no way out but to attempt the almost impossible and hope for the best. We have successfully faced crises in the past. We can do so again.

At the request of General Eisenhower, a number of members of Congress from the Foreign Affairs Committee and the Armed Services Committee and the Appropriations Committee were sent to Europe for a quick survey of actual conditions. I think it was generally agreed by those who made this trip that General Eisenhower is making a prodigious effort to unify Western Europe and is urging the NATO countries to make the maximum effort in their common defense. I feel he has made real progress in this regard despite the many obstacles with which he has been confronted. But there is still a great deal left to be done.

We had an opportunity to see at first hand some of the cooperative effort that is being made for our mutual defense. In England I was impressed with the

way the English and ourselves are working together in the field of strategic air defense. Their fliers are learning to use our planes and seemed to be working with us in the closest harmony.

We also saw the efficient way the French and Italians operated our tanks, artillery, and other equipment.

The basic question in my mind has always been and still is whether, in spite of our prodigious efforts, the great economic burdens we are assuming with increased taxes, which we will be compelled to pay, and the obvious hardships upon our people that will be incurred, will be sufficient to attain the peace we all so much desire; or will it result in a fiasco beyond the comprehension of any previous disaster in the course of history. That is the question I asked time after time of our military and civilian leaders in Europe; namely, if we are fortunate enough to be able to complete the program which has been agreed upon, and which admittedly will take time, would it be adequate and successful in defending Western Europe. I was repeatedly assured that it would.

Of course this program is primarily designed for the defense of one area; namely, Western Europe. Danger could break out in other critical places of the world which might by necessity cause us to divert our maximum effort from the NATO countries to other areas.

As I have indicated, I am willing to support this military program even in spite of the grave doubts I have of its ultimate success. I do believe that time is on our side and that every day that goes by our military strength increases. I do believe that we need allies and if we can bring about unity of thought and purpose and a genuine determination to bring peace and security to the free world, we strengthen our own security. I believe strength begets strength; and that strength is the only weapon for peace Russia will recognize.

But I now turn to the situation that gives me even more concern than the military phases of this bill. It is proposed to spend almost \$2,000,000,000 for economic aid and point 4 aid under this bill to help almost every country in the world. Admittedly there are many backward countries that need our economic assistance. Admittedly there are many backward countries that need our technical advice. But when we are confronted with a military exigency, that is, in my opinion, the most dangerous that has confronted this country since the American Revolution, whether it is economically feasible to go forward as in normal times with programs to assist almost every area in the world seems questionable. I am very doubtful of the wisdom of such a course.

Even conceding the objectives of such a program of economic aid are worthy, it seems to me there are limitations on our own economy to carry out these programs when we are confronted with such an enormous military program.

Already the House has approved almost \$69,000,000,000 for our own national defense. Now we are asked to add close to \$7,500,000,000 for an additional mili-

tary effort and economic aid in Western Europe and other areas.

All through the testimony we were told how beneficial this aid would be to the countries involved, but we had no witness who exclusively told us what the economic impact would be on this country. This seems wrong.

While our committee, under the able leadership of our colleague, Mr. RICHARDS, did make a cut from the amount requested by the administration of \$651,250,000, I do not feel this is sufficient. But even if we are not successful in securing a larger cut than contained in this bill, this savings would still pay the salary of the 435 Members of this House for almost 120 years.

Undoubtedly some of the point 4 programs could be set aside for more normal times when the strain on our economic resources would not be so great.

With perhaps one or two exceptions, there is no question the countries of Western Europe which have been so greatly aided by ourselves could do without further general economic assistance. According to a report of the ECA issued July 30, 1951, Western Europe's industrial production has increased by 44 percent over 1938 levels; their exports have increased 15 percent. None of them are devoting to their military effort more than 7 percent of their gross national product. Under these circumstances, how can we justify continuing general economic aid?

We have conditions here at home which certainly require our attention and need Federal assistance. While I am perfectly aware that the extra military effort on the part of the countries of Western Europe is an additional strain on their economy, I maintain that this additional burden should not be absorbed by us because we are also straining our economy to the last notch when you consider we are taking from our people \$54,000,000,000 in taxes this year and will impose additional tax burdens for this foreign-assistance program.

This bill has in it \$840,000,000 of economic aid to compensate for the extra military effort of these countries. That means the United States is assuming most of the additional burden. It is certainly questionable whether we should even go this far, but rather make them assume the additional defense effort. We are all equally concerned about our mutual security and the other countries should make as much of a sacrifice as we are making.

If we give them this additional economic aid because of their extra defense effort, we are in reality paying for their defense effort. But more than that, when we furnish these countries \$840,000,000 because of that effort, we create almost that amount of counterpart funds that is available for their use. Certainly under these conditions very little extra effort is required from these countries. This should not be the case.

In passing I do want to comment on a few of the provisions of this bill which I believe are constructive.

First, I feel that the setting up of an independent agency which will have under its jurisdiction military, economic,

and other assistance to our allies, under a single administrator, is a step in the right direction.

Second, I firmly believe that the provisions of this bill which make it obligatory to make 20 percent of the economic funds available as loans and not grants is sound.

Third, I believe the provisions of this bill in respect to point 4 program and technical assistance which require that the recipient countries put up at least the same amount we are spending will be most helpful in preventing unjustified handouts.

Fourth, The fact that 11 percent of our own defense production of military end items can be transferred to our allies, if our Chiefs of Staff deem it to our own best interest, may help to speed up our common defense. If we do take this method of getting the necessary matériel to our allies, it will not be an additional burden upon the taxpayers of this country, but will be in lieu of. Because to that extent, it will not be necessary to carry out the additional programs requested in this bill. Whatever is furnished from our domestic stocks will be deducted from the amount authorized in this program.

Therefore, in conclusion, I believe when we take up this bill under the 5-minute rule, we should scrutinize section by section the amounts requested and so far as it can be done, without revealing security secrets, we should justify the military provisions of this bill.

So far as the economic and technical part is concerned, I cannot help but believe, from some of the testimony I heard, which was some 1,600 pages that was made public and 1,700 pages taken in executive session, that a great many further cuts can be made in the economic part of this program. Every dollar authorized should be fully justified and if not justified, it should be stricken from the bill.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: On page 13, line 6, strike out "one hundred" and insert "sixty" and in line 9 strike out "twenty-five" and insert "ten."

Mr. REES of Kansas. Mr. Chairman, you will observe in the bill before us with respect to the organization of this Mutual Security Administration, it is provided that there shall be an Administrator, a Deputy Administrator, and that the Administrator may hire as many employees as he deems proper under the Civil Service Act. It further provides that not to exceed 100 may be compensated at rates higher than grade 15, which means from \$11,500 to \$14,000, and 25 not in excess of \$15,000 per annum.

I have been unable to determine how many people they are going to employ under the mutual-assistance provisions of this act. Somewhere between four and five thousand are presently employed under the ECA, most of them at higher-than-average salaries. How many more will be employed under this bill, nobody seems to know. I have tried to find out, but they say that has to be

determined after the organization is set up.

I am calling attention to a thing that has appeared almost identically in many other bills. These people say they will hire employees under the Civil Service Act but "we will put in a few more at a higher salary." Then they tell you they are unable to secure persons qualified for some particular job, and therefore they have to go above-ceiling salaries. The number here is 100. Rather than strike the whole thing out, I have offered a compromise, so that with respect to the 10 instead of 25 they will get as high as \$15,000, and with respect to the remainder, which I have cut down to 60—and this is mild—they would get somewhere between \$11,000 and \$14,000. This bill involves an additional charge against the people of this country of an average \$250 per family per year across the Nation, that a comparative little item does not seem to amount to very much. But it could be as much as \$100,000 per year. I am talking about the principle of the thing. We can get along without these extra people here at \$15,000 a year.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Minnesota, who knows more about this legislation than most of us.

Mr. JUDD. I offered essentially the same amendment in the committee, except that I made it 75 instead of 100 and left the 25 as is. We had the same provision in the ECA Act. They used 43 people. They have had authorization up to 100. This seems to me a standing invitation to go out and get super-duper people who are not necessary. I think the 25 figure should stand, because I would hope that the Administrator would get as the chief of mission in each of these countries the highest grade fellow he could get, and he cannot do it really for less than \$15,000. I wish the gentleman would strike out the first portion of his amendment, which reduces the 25 to 10, and then I think we would go along with him on the reduction from 100 to 60.

Mr. REES of Kansas. I do appreciate your statement and I wish I could go all along with you, but we are still letting them have 10 at \$15,000, which is enough. The others will still get a pretty good-sized salary. They will get between \$11,000 and \$14,000, and that is a pretty good-sized salary for appointees that are appointed without demand for particular qualifications except as the Administrator sees fit to appoint them.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Michigan.

Mr. DONDERO. That is equal to the compensation of the Members of this House, and they get that position without going through a political campaign.

Mr. REES of Kansas. They are purely appointees, that is correct.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished chairman of this committee.

Mr. RICHARDS. I am inclined to agree with the gentleman from Minnesota that if the gentleman would just apply his amendment to the second part of it we would go along with this. This provision in this bill was taken bodily out of the old ECA Act, as to the administration of the ECA Act. But remember, with the Administrator provided for herein you have to cover a lot more territory than the old Administrator did. He has military aid, he has international development under point 4, and he has economic aid. You cannot hog-tie him to the extent the gentleman has just suggested. If the gentleman will accept the modification to the extent suggested by the gentleman from Minnesota, we will go along with it.

Mr. REES of Kansas. This paragraph reads as follows:

Officers, employees, agents, and attorneys may be employed by the Administrator for duty within the continental limits of the United States in accordance with the provisions of the civil-service laws and the Classification Act of 1949.

So you may employ these people within the limits of the United States, the people we are talking about in this particular paragraph.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Georgia.

Mr. COX. What is the reduction that is made in the first part of the gentleman's amendment?

Mr. REES of Kansas. It is comparatively small, but it totals a few thousand dollars.

Mr. COX. How much?

Mr. REES of Kansas. I am asking them to cut down the number who get \$15,000 from 100 to 60 in this bracket. They are asking for 100 and they had 43 in ECA.

Mr. COX. Why not bargain with the gentleman and suggest 75.

Mr. REES of Kansas. I should like to, I would be happy if I could, but it is a compromise I am offering now.

Mr. COX. Would 75 be satisfactory to the gentleman?

Mr. REES of Kansas. I would like to, but I think we ought to strike the whole thing out. I am just bargaining to this extent.

Mr. Chairman, this bill proposes an authorization to spend an additional \$7,800,000,000 for what is described as mutual assistance for foreign countries. Approximately \$2,500,000,000 is for foreign aid and \$5,000,000,000 for military assistance to other countries, including European countries, also in Asia and some in South America.

Mr. Chairman, I would remind you that this authorization of almost \$8,000,000,000 is in addition to the billions of dollars already expended to European and some Asiatic countries. This legislation is in addition to \$56,000,000,000 that this Congress appropriated only recently for the military defenses of this country; and in addition to \$5,700,000,000

earmarked for military construction; and in addition to \$4,500,000,000 we have expended in Korea. This makes a total of \$72,000,000,000 authorized or appropriated within a period of a few months. This in addition to an unexpended balance of \$1,500,000,000 of ECA funds on hand, and military money for Europe of \$3,000,000,000.

I would remind you, too, that the military authorities have the right, if they can justify such expenditure, to spend as much as 11 percent of the \$56,000,000,000 for military aid, for assistance in Europe and other foreign countries.

Mr. Chairman, I supported legislation providing for billions of dollars for defenses in this country, and because of commitments made with certain European countries, I have also supported a considerable amount of funds to carry out such commitments. I think, however, there must be a time when we should call a halt in the authorizations and appropriations against the people of this country, especially in consideration of tremendous sums already appropriated.

Our country at this moment is facing insolvency. America cannot withstand aggressors, no matter who or where they are, if she herself is not solvent.

Do you realize that since the beginning of foreign-aid programs, the United States has given, granted, or loaned foreign nations more than \$125,000,000,000? We are told that in order to stop the spread of communism, it is necessary that we spend billions more. This bill is an authorization of approximately \$8,000,000,000. The plan is for 3 years. That makes an obligation against this country of \$24,000,000,000. I would remind you that the mere appropriation of these billions of dollars from an insolvent Treasury is not the answer to the problem. I should add right here, too, that this measure is surrounded by some mystery. Certain facts, they say, must be withheld from Congress.

Let me read the report of the Committee on Foreign Affairs. It says, and I quote:

The bill authorizes an appropriation of \$5,028,000,000 to Europe in fiscal 1952. This figure was arrived at by careful consideration by the committee of detailed programs for each country, of the items of equipment to be received, and the cost of transporting such equipment and the necessary training expenses. These facts cannot be presented for security reasons.

Will the future employees of this organization be better security risks than Members of Congress? There is no one in Government any more entitled to the facts than the elected representatives of the people. The mystery surrounding the programs of military and economic assistance should be lifted. Russia will know all these things in due course. Why should the American people be refused information which up to the present time has been not only common knowledge, but been used time and again for educational purposes by the Voice of America?

Mr. Chairman, I remind you again that I have voted for a strong and efficient Air Force costing millions and bil-

lions of dollars. I have voted for other billions for the defense of this country and for the prosecution of the Korean War.

There must be a limit somewhere. Let me repeat, this legislation is in addition to fifty-six billion appropriation for defense only a few days ago. It is in addition five billion seven hundred million already earmarked for military construction and is in addition to four and a half marked for Korea. I remind you again there is approximately \$5,000,000,000 dollars already appropriated and not yet expended, most of which is for Europe and Asia. I also remind you again that 11 percent of the \$56,000,000,000, above mentioned, may be expended for the military in Europe and Asia.

Mr. Chairman, I think we had better look the situation over pretty carefully before we proceed to authorize and expend more billions of dollars of the taxpayers of this country. Of course we want world peace, but we cannot expect to achieve that objective entirely by exhausting our country's resources and sending them to foreign countries. You cannot buy friendship in this manner, especially when you are bankrupting our own country.

Mr. KEATING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEATING. Would the gentleman's amendment lend itself to a division so that we could vote separately on the two parts?

The CHAIRMAN. There are two parts to the amendment, and it is divisible.

Mr. KEATING. Mr. Chairman, I ask that it be divided.

The CHAIRMAN. The question is on the first portion of the amendment offered by the gentleman from Kansas.

Mr. JUDD. Mr. Chairman, I ask unanimous consent that the first portion of the amendment be read, so that we will know what it is we are voting on.

There being no objection, the Clerk read as follows:

Amendment offered by Mr. REES of Kansas: Page 13, line 6, strike out "one hundred" and insert "sixty."

The question was taken; and on a division (demanded by Mr. REES of Kansas), there were—ayes 114, noes 97.

So the first portion of the amendment was agreed to.

The Clerk will report the second portion of the amendment.

The Clerk read as follows.

Amendment offered by Mr. REES of Kansas: On page 13, line 9, strike out "twenty-five" and insert "ten."

The question was taken; and on a division (demanded by Mr. REES of Kansas), there were—ayes 109, noes 115.

So the second portion of the amendment was rejected.

(Mr. REES of Kansas asked and was given permission to revise and extend his remarks.)

Mr. BONNER. Mr. Chairman, I offer an amendment, which is at the desk. The Clerk read as follows:

Amendment offered by Mr. BONNER: Page 38, strike out line 15 and insert the following: "state;

"(f) guarantees by the eligible nation that it will notify the United States whenever it ceases to use any equipment or material furnished to it under this act (other than equipment or material furnished under terms requiring the nation to reimburse the United States in full therefor) for the purposes of this act and that it will transfer title to, and possession of, such equipment or material to the United States (1) for return to the continental United States for salvage or scrap, or (2) for such other disposition as the President shall deem to be in the interest of the United States."

Mr. BONNER. Mr. Chairman, this amendment is offered by the Committee on Expenditures from a subcommittee of which I am a chairman. The idea of the amendment arose during the investigation of surplus property given by the United States Government for rehabilitation purposes to the countries of Europe, our allies, during the last World War. During the hearings on our investigation, it was found that much of the material that we had given to our allies in Europe was sold to surplus-property dealers and returned to the United States and sold within the States, some of it actually sold to the national defense for fabulous profits.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. RICHARDS. I have been listening to the gentleman carefully, and I know the good work which his committee has been doing. I have studied this amendment and we have looked it over and I believe you have a good amendment and we will accept it.

Mr. BONNER. I appreciate that very much, but I would like to say one more thing about the amendment and the purpose of the amendment.

We are really shipping abroad our national resources, and unless some of this material is returned to be used for the purpose of scrap in this country, some day we will find out that Europe has much of the things that we should have that we do not have on account of our generosity. I doubt very much whether it would be returned in the same spirit and manner as we are now sending it abroad.

Mr. BROWNSON. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Indiana.

Mr. BROWNSON. As a member of the gentleman's subcommittee, may I compliment him on the presentation of this amendment, and also thank the chairman of the committee for accepting this amendment which has been so carefully worked out and which I hope will result in safeguarding the money which we are about to offer on a blank-check basis.

Mr. BONNER. I appreciate the gentleman's contribution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. BONNER].

The amendment was agreed to.

Mr. DEMPSEY. Mr. Chairman, I move to strike out the last word.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Certainly.

Mr. RICHARDS. I wonder if we cannot get some agreement as to time on this bill.

Mr. VORYS. Would the gentleman ascertain how many amendments are proposed, and then button it down to so many minutes per amendment?

The CHAIRMAN. According to the last report, there are 10 amendments on the desk, and they are still coming in. There are now 12.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on the bill close in 1 hour. That will give 5 minutes for each amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. Mr. Chairman, I object.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 1 hour and 20 minutes.

Mr. CURTIS of Missouri. Mr. Chairman, reserving the right to object, may I ask if there will be any allowance for those who have amendments so that they will be able to speak on their amendments?

Mr. RICHARDS. I would think so; I believe the Chair will take care of those who have an amendment, if they were on their feet, for 5 minutes apiece.

Mr. TACKETT. Mr. Chairman, reserving the right to object, will the gentleman consider cutting it down to 15 minutes instead of an hour?

Mr. DONDERO. Mr. Chairman, further reserving the right to object, may I suggest to the chairman of the committee that if he makes the time an hour and 20 minutes and there are 12 amendments at the desk and the author of each amendment has 5 minutes that will leave only 5 minutes for the rest of the House to oppose the amendment.

Mr. JUDD. Reserving the right to object, Mr. Chairman, why do you not suggest that the time be divided equally in favor of and those opposed to each amendment?

Mr. HALLECK. Mr. Chairman, reserving the right to object, I might say to the gentleman from South Carolina that I have been informed by a Member on our side that he intends to demand a reading of the engrossed copy of the bill. If that happens, I think, of course, it would be impossible to engross the bill and read it tonight. Whether or not that will make any change in the situation tonight I do not know.

Mr. RAYBURN. If we stay here and complete the bill tonight and the reading of an engrossed copy is demanded we can vote on the engrossed copy tomorrow, and we certainly would have to go over until Monday to get an engrossed copy and vote on it, if we do not complete the bill tonight.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. What is the consent request of the gentleman from South Carolina?

The CHAIRMAN. The gentleman from South Carolina has not submitted a request.

Mr. RICHARDS. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 1 hour and 15 minutes.

The motion was agreed to.

The CHAIRMAN. The gentleman from New Mexico [Mr. DEMPSEY] is recognized.

(Mr. DEMPSEY asked and was given permission to revise and extend his remarks.)

Mr. DEMPSEY. Mr. Chairman, I have taken this time to ask certain questions of the chairman of the House Foreign Affairs Committee, not in an attempt to embarrass him in any way, because Mr. RICHARDS and I have been friends for a long time. Rather, I am making a most earnest and serious endeavor to bring out for consideration by this honorable body phases of the program to be set up by ECA which, to my mind, will lead our Nation into an unwarranted and undemocratic intrusion into the internal economic and political affairs of those European nations allied with us in the struggle against communism.

I would like to call the attention of the chairman of the House Foreign Affairs Committee, the members of that committee and the Members of this House, to a press release by ECA under date of July 28, 1951—a couple of weeks ago. I wonder if the chairman and the members of the House Foreign Affairs Committee have seen that press release. It deals with what it announces to be ECA's major new productivity drive in Europe.

The contents of that press release prompted me to seek further and more detailed information about the so-called production assistance drive to be carried out by ECA with funds provided for by the Congress under the terms of this legislation. I obtained from the State Department an official copy of the outline of the plan—which quite properly could be termed a directive, I believe—sent to the field officials of ECA throughout the European nations affected.

So that I could be fully informed about what appeared to me to be a plan so staggering in its implications of intrusion by our Nation into the internal affairs of others, I studied carefully the detail in the official documents provided me by the State Department. The more I studied, the more convinced I became that, if the plan were carried out, this great democracy of ours could justly be accused of overstepping the bounds of international propriety and of failing to respect the sovereign rights of our allies and friends in Europe. I cannot conceive that any Member of the Congress would condone any such plan, yet we have before us legislation which, I believe, will do just that, and more.

Let us, then, consider some of the language of the directive sent out to the ECA officials in foreign countries, the purpose of which, it says, is—and I

quote—"to state the objectives, policies, methods, and organization to be utilized in mobilizing ECA's resources for an intensive program in the field of production assistance and productivity improvement."

Consider, if you please, the implications in this language in the ECA directive. I quote:

ECA is to modify its general policy of working only with and through governments and will be in direct touch with trade unions, individual firms, individual managers, trade associations, labor leaders, and especially will be working in individual plants. We will, of course, be working with the concurrence and, hopefully, with the help of the governments of the participating countries, but not exclusively through those governments.

To me that clearly indicates the intention of ECA to bypass the Government and take over the virtual direction of a nation's economy to a great degree. It ill behooves us, who have most pressing and momentous economic problems of our own, to attempt to control the economy of any other nation, going even to the extent of bypassing its government. Some of the European nations, I am reliably advised, already have offered objections to such an invasion of their sovereign rights and violation of their national dignity.

Let us consider further some of the language of the ECA outline of its plan. Again I quote:

Direct productivity personnel should continuously be aware of the fact that the effort to achieve forced draft improvements in applied technology is not just an engineering problem, but also a problem of economics, social institutions, psychology, and politics in the broadest sense, and should develop their program accordingly.

In view of that language, can there be doubt of our intentions? Can any other inference be drawn than that we propose direct interference in the affairs of another country, including its economy and its politics? May I suggest we put our own house in order before dipping into the internal politics of other nations.

What sort of international relations will such a policy on our part create? ECA, itself, recognizes that there may be trouble ahead, as witness this next statement from the official document. I quote:

This plan will have two major advantages. First, joint sponsorship by the European governments concerned and the United States will minimize any charges of intervention or any criticism that the program is designed indirectly to benefit the United States rather than the citizens of the country. Second, it is highly desirable to organize the program in such a way that complete responsibility for it can be taken over by the local government in 2 or 3 years' time.

Are we to become the world's most malign meddlers? In 2 or 3 years, we may, if it pleases the management of ECA, permit a country to run its own internal affairs. To me, that sounds like an unjustified and brazen impugning of a nation's integrity. We may trust them to run their own business later. It takes no stretch of the imagination to

know what we would reply to such a proposal made to us by another nation. We are, however, more forthright than the Communists who seek the same objective through infiltration and other sinister methods. I, for one, want no part of any such plan, no matter how high sounding the name.

Not content with meddling in the economic and political affairs of the other nations, the ECA plan would tinker with the taxation structure of the participating countries. Listen to this. I quote:

The organization should seek to achieve necessary improvements in governmental and trade association and labor union ground rules affecting positive and negative incentives to productivity improvement.

This, for example—and I am still quoting:

It might sponsor studies and legislation to establish tax-adjustment systems which would act to encourage rather than discourage investment in productivity, wage increases, and price reductions. In the same field it should help to protect firms and workers cooperating in its program from adverse actions and injury by restrictionist groups.

I wonder if the author of that slick phrase ever read the Constitution of the United States—particularly the rights of men. Nations are made up of men. Such a plan should be—probably will be—offensive to every thinking citizen in those other nations. In my humble judgment, we are planning to go too far—much too far. But that is not all. Again I quote:

Where it is not practicable to bring in the productivity agency and its services as such, specific clauses bearing on the objectives of the productivity program along the lines of the labor standard clauses in United States public contracts, might be included in the contracts themselves.

That, I believe, is further indication we are trying to make other nations apply our standards to their economy whether they fit or not. In other words, no matter whether the shoe fits—our shoe—put it on and wear it—and like it. What could be more fantastic than such a proposal coming from a great and free nation?

Now we come to the strong-arm—the coercive—part of the plan. Listen, my fellow Members, to this closely—for to me it sounds much more like a directive—an order—from the Kremlin to the slave and satellite nations under Russia's heel, than part of a plan conceived in democratic America. I quote:

Where unusual difficulties are anticipated or encountered in securing proper commitments from the participating country governments on this program, ECA, Washington would be willing to consider a recommendation that such undertakings be made a condition precedent to further allotment of program funds to the country involved.

In brief, that means the other nation must let us meddle in its internal affairs or tinker with its economy, its politics, its tax policies—or else, and by "else" we mean the other nation's principles must be sacrificed for our money. What a travesty on international justice that would be.

I recommend the ECA program outline in its entirety as required reading for every Member of the Congress. I have merely touched on a few of the high spots in the amazing document.

We need to carry on that part of the ECA work which is good, but in the name of American democracy and common sense, let us not, under the guise of co-operation and mutual defense against communism, seek to take over the economy and the internal affairs of these other nations, body and soul.

It is my firm conviction they would be fully justified in saying to us, "Until you get your own economy on an even keel, keep your hands off ours."

True, we are spending vast sums to help them regain their national strength and vigor. Equally true, we are helping ourselves at the same time, because that renewed strength is being thrown into the fight against Communist aggression and lust for world power.

We must remember, however, that long before we were a nation, many of those countries were strong and powerful nations. They have borne the brunt of waste and destruction in at least two catastrophic wars. We were more fortunate in our homeland. We escaped almost unscathed.

Those nations are destined to be great and strong again. They have the leadership and the quality of citizenship which assures us of that. We have done much to restore their virility. We will have to do more—at least for another year or so. But let them run their own affairs. They have done it. They can do it.

Unless we amend this legislation properly, we may well be accused later of being responsible, through our interference, for any possible economic setback they might suffer. They would be justified, too, in asking us for many additional billions of dollars to repair that damage.

We must never let our Nation assume the role of a dictator, even of a beneficent dictator.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield to the gentleman from South Carolina.

Mr. RICHARDS. May I say to the gentleman I am driving, and I believe the committee is driving at this, if the ECA has been doing the things the gentleman says they are doing. They should be condemned for it. But let me call the attention of the gentleman from New Mexico to the fact that ECA after this year is going to be out of business. It will not be here very long if this bill passes. So far as I am concerned, I will join with the gentleman in trying to do what he is endeavoring to do.

Mr. DEMPSEY. I thank the gentleman. What I have read is what was given to me by the State Department.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield to the gentleman from Nebraska.

Mr. STEFAN. If the gentleman is surprised at that, wait until he sees the super duper independent organization working in foreign fields, armed with

diplomatic status plus a satchel full of money, bypassing the regular diplomats in foreign countries. Yes; they have been doing that.

Mr. DEMPSEY. I will say to the gentleman that I discussed this in part with the distinguished chairman.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: Page 36, line 5, after the word "this", strike out the remainder of the sentence and insert "act."

Mr. JUDD. Mr. Chairman, this is merely a clarifying amendment to make sure the language says what we had in mind. I have talked it over with the committee, and I understand there is no objection.

Mr. RICHARDS. We accept the amendment, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD].

The amendment was agreed to.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: Page 32, lines 7 and 23, strike out "military" and insert "any", and on page 32, line 16, after "Court of Claims", insert "or in the district court of the United States in which a such owner is a resident."

Mr. VORYS. Mr. Chairman, this is an amendment to the patent section so that the provisions apply not only to military assistance but any assistance, and given jurisdiction not only to the Court of Claims but to the district court in which such owner is a resident.

Mr. RICHARDS. Mr. Chairman, I am of the opinion that that is a good amendment, and we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Vorys].

The amendment was agreed to.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: Page 37, after line 2, insert a new section as follows: "The Administrator in cooperation with the Secretary of Commerce shall facilitate and encourage through private and public travel, transport and other agencies, the promotion and development of travel by citizens of the United States and of recipient countries to and within the recipient countries."

[Mr. JAVITS addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 12, noes 71.

So the amendment was rejected.

Mr. ARMSTRONG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ARMSTRONG: On page 7, line 17, after "including", insert the words "Formosa and other areas under the control of Nationalist China."

Mr. ARMSTRONG. Mr. Chairman, I am sure that after this long day of im-

portant discussion on the bill with the necessary differences of opinion it will be a happy thing to come to this small and noncontroversial amendment. If you will refer to page 7 and go down to line 16, you will find there in section 301 the following words:

In order to carry out in the general area of China (including the Republic of the Philippines and the Republic of Korea).

All this amendment seeks to do is bring in specifically, as I feel we will all agree there should be, the words "Formosa and other areas under the control of Nationalist China." Thus we shall give proper recognition to a very important ally of ours in the protection of the free world in the Pacific area.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from Montana.

Mr. MANSFIELD. It is my understanding that the Government of the United States, in using the word "China," applies it only to the Nationalist Government of China.

Mr. ARMSTRONG. I only wish that that interpretation could be generally accepted.

I call the gentleman's attention and the attention of all the Members to the fact that unless we nail this thing down, by mentioning Nationalist China by name, all of our efforts over in Formosa may go for naught.

Let me remind you that at the outbreak of the Korean conflict the leaders of the Nationalist forces on Formosa, our allies in the United Nations, not only our comrades-in-arms in the recent war but permanent members of the Security Council of the United Nations, offered 33,000 troops for the defense of the free world in Korea. That offer was refused. It was said at that time that the refusal was because the Nationalists were needed to protect Formosa. However, I call the attention of you new Members of the House to the fact that when we met with representatives of the State Department in March, Mr. Dean Rusk, Assistant Secretary for Far Eastern Affairs, informed us on direct questioning as to why the Nationalist troops were not permitted to go and fight for their own freedom and the freedom of the Pacific area. He said it was because our allies in the United Nations, specifically mentioning Great Britain, objected to the use of the Nationalist troops. Mr. Rusk said this was because Great Britain and some other allies have recognized Red China, therefore they did not want the assistance of these, our allies, the free Chinese, to fight the Communist aggressors.

I want to nail this thing down to such an extent that any aid given in this bill to the China area will specifically apply to the use of these, our allies, on Formosa.

Mr. Chairman, with my own eyes some months ago I saw those Chinese Nationalist troops drilling. They are brave and valiant troops. They can and should be used in the Pacific area. Already we have a military mission on Formosa, headed by an able commander, General Chase. For what purpose is that mission there? Is it just to boondoggle some money away? It should

be to train these Chinese to fight. Every one of these Nationalist troops could take the place of some boy drafted from out the United States.

The distinguished majority leader of this House the gentleman from Massachusetts [Mr. McCORMACK] made one statement today which I shall long remember. It hit the nail squarely on the head. He said the only thing the Communists fear is strength greater than their own. That is entirely true. So let us add to the strength that we have in the Pacific area the strength which is waiting for us there, unused, and—up to now—unwanted.

The one thing the Communist aggressors in Korea feared more than anything else was an all-out effort on our part to win the Korean War. I think it is a shameful thing that we sent our boys into Korea unprepared, untrained, and unequipped. But even more shameful is the fact that we sent them in there to fight with one hand tied behind their backs.

The distinguished gentleman from South Carolina [Mr. DORN] and I talked to numerous of our officers in Japan and Korea. Many of them said, "If you will untie our hands we can knock Red China out of this war in 3 months' time." Shame upon us for not calling on all of our allies and going all out to win that war.

Mr. Chairman, the war in Korea could have been ended in victory, if our allies had not dragged their feet. Our military men wanted to blockade the Chinese coast, bomb the military targets in Manchuria, and use the guerrillas on the mainland. But the British and others wanted to continue their lucrative trade with the Reds. They did not want to offend the enemy. Now, unless we specifically have it understood that this aid we are discussing in this bill will apply to the Nationalist Chinese, they will tie our hands again. The purpose of my amendment is to insure that our representatives in Formosa and elsewhere in the Far East will be free to act in our own interests.

Back home where I live, the people are beginning to ask whether we are going to carry on a stalemated war in Korea forever. So far as I am concerned, if the Reds start shooting again, we had better go out to win a victory or else bring our boys back from Korea and keep them here.

The CHAIRMAN. The time of the gentleman has expired.

[Mr. RICHARDS addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: On page 22, line 11, strike out "operations" and insert "duties assigned to the Administrator."

[Mr. KEATING addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEATING].

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: Page 26, line 2, strike out all of lines 2 and 3 and down to the period on line 5 and insert in lieu thereof:

"That the essential features of his primary responsibility are there:

"(a) The determination of military end-item requirements.

"(b) The procurement of military equipment in a manner which permits its integration with service programs.

"(c) Establishment of priorities in procurement and deliveries, the allocation of military assistance between recipient countries, and the apportionment of funds as transferred to him by the President between services and countries within each area specified in the act.

"(d) The supervision of end-item use by the recipient countries.

"(e) The supervision of the training of foreign military personnel.

"(f) The movement and delivery of military end-items."

Mr. KEATING. Mr. Chairman, here likewise, I am not disposed to press this amendment; in fact I think that after half a minute's explanation I will ask consent to withdraw it because I realize it should require study.

The language which I have put in the substitute for the one sentence which appears in the bill is taken exactly from page 43 of the report; it is the exact language of that page. It defines the duties of the Secretary of Defense or his representative with regard to these military-end-use items. I realize, however, that if the gentleman has not studied it he might have hesitancy about that, and I would simply ask that he consider that very carefully in conference, because I do feel that it would be a great improvement over the sentence which is in the bill.

Mr. RICHARDS. I appreciate the gentleman's position, and I assure him that not only will I study it before I go into conference but that it will be considered in conference if it is within the scope of the conference.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to withdraw the amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, I offer a fourth amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: Page 34, line 2, strike out "materials" and insert "commodities"; and on lines 4 and 10 strike out "materials" and insert "commodities."

Mr. TACKETT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TACKETT. Is this amendment going to be withdrawn, too, after they talk about it for 30 minutes?

The CHAIRMAN. The Chair is not a mind reader.

Mr. TACKETT. I am going to object if it is.

Mr. KEATING. I would be glad to have this voted on because I feel sure the chairman of the committee would be

perfectly willing to accept the amendment.

I gather that there is some fear among those who will be called upon to administer this program that the word "materials" used in this particular section 607 might be considered as including military end use materials. I know that is not intended; I know that raw materials are referred to since they are the only materials that come under the Defense Production Act of 1950.

The word "commodities" happens to be the word used in the report in discussing this section. The same is true in the section analysis, and it would be an improvement, in my judgment, if the word "commodities" were used here to be sure that it does not include military end use items, rather than the word "materials."

Mr. RICHARDS. I think the gentleman is right, and I accept the change.

Mr. KEATING. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEATING].

The amendment was agreed to.

The CHAIRMAN. The gentleman from Missouri [Mr. CURTIS] is recognized.

Mr. CURTIS of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS of Missouri: Page 7, line 22, after "exceed", strike out "\$530,000,000", and insert "\$480,000,000;" and on page 8, line 3, after "section", strike out "not to exceed \$50,000,000", and insert "no."

Mr. CURTIS of Missouri. Mr. Chairman, I am grateful for this time.

To follow this amendment I direct your attention to page 8 because it is an attempt to eliminate the \$50,000,000 that can be appropriated in accordance with the accounting provision as provided in subsection (a) of section 303 of the Mutual Defense Assistance Act of 1949. This accounting method for this \$50,000,000 is what I want to call to the attention of the House, and I am going to read the language:

Certification by the President of the amounts expended out of funds authorized hereunder and that it is inadvisable to specify the natures of such expenditures shall be deemed a sufficient voucher for the amounts expended.

In other words, that is just a complete blank check for \$50,000,000 to be spent in the Chinese area.

May I call further attention to the fact that under this same section 1604 I was reading and to which this particular section refers, there was provided \$110,000,000 to be spent in the same fashion with no accounting in the Chinese area after 1949. If we are going to judge the future by the past, I submit an expenditure of \$110,000,000 in China in the years 1949 and 1950 certainly did not promote peace in that particular area and certainly did not provide that China would not go communistic.

I suggest that the House consider very carefully whether it wants to extend this principle of giving blank checks of this nature, particularly in the area of China.

Personally I am against any blank check of this nature.

Mr. JUDD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Missouri [Mr. CURTIS].

Mr. Chairman, this provision is largely the result of the work of a former colleague of ours on the Committee on Foreign Affairs, by the name of John Davis Lodge, now Governor of Connecticut. He was one of the first Members of the Congress who became fully aware of the underhanded and underground methods that the mortal enemy we face consistently uses. The hard fact is that we cannot hope to outwit and overcome this enemy unless there are some funds that do not have to be accounted for and some operations that do not have to be paraded in public.

We regret it, but the fact of the matter is that if we want to fight successfully these enemies operating under the Kremlin's direction we ought to be assisting in every way possible those people behind the iron curtain who, knowing the nature of Soviet rule better than anybody else, are most determined to overthrow it. It seems to me we would be tying one of our hands behind our own back not to allow the President to have these funds to use in areas where it would be impossible and inadvisable to have them accounted for publicly.

I hope the amendment will be defeated. Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Montana.

Mr. MANSFIELD. I want to associate myself with everything the gentleman has said and to assure the House that the committee unanimously is in accord on this particular item.

Mr. JUDD. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. CURTIS].

The question was taken; and on a division (demanded by Mr. RICHARDS) there were—ayes 66, noes 128.

So the amendment was rejected.

Mr. MEADER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEADER: Insert on page 31, after line 21: "(c) (1) to assist in carrying out the purposes of this act, through encouraging and facilitating the development of the natural resources of foreign areas by the investment of private capital and eliminating barriers to and providing incentives for engaging in business enterprises in such areas by persons or business organizations who are non-nationals of such areas, there is hereby established a bipartisan commission to be known as the Commission on Aid to Underdeveloped Foreign Areas (hereafter referred to as the "Commission")."

"(2) (A) The Commission shall be composed of 14 members as follows:

"(1) Ten appointed by the President of the United States, four from the executive branch of the Government and six from private life;

"(ii) Two Members of the Senate appointed by the Vice President; and

"(iii) Two Members of the House of Representatives appointed by the Speaker.

"(B) Of each class of members, not more than one-half shall be from each of the two major political parties.

"(C) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(3) The Commission shall elect a Chairman and a Vice Chairman from among its members.

"(4) Eight members of the Commission shall constitute a quorum.

"(5) (A) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(B) The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary \$12,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(C) The members from private life shall each receive \$50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"(6) The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended.

"(7) The service of any person as a member of the Commission, the service of any other person with the Commission, and the employment of any person by the Commission, shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"(8) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this subsection (c).

"(9) (A) The Commission shall study and investigate the problem of aiding underdeveloped foreign areas and shall formulate and recommend to the President and the Congress specific programs for carrying out the purposes of this subsection (c).

"(B) The Commission shall report to the President and to the Congress from time to time the results of its study and investigation, together with such recommendations as it deems advisable. The Commission shall file its first report within 1 year after the date of enactment of this act, and annually thereafter.

"(10) (A) The Commission may create such committees of its members with such powers and duties as may be delegated thereto.

"(B) The Commission, or any committee thereof, may, for the purpose of carrying out the provisions of this subsection (c), hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such committee may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before any committee thereof.

"(C) The Commission, or any committee thereof, is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, or any committee thereof, upon request made by the chairman or vice chairman of the Commission or of the committee concerned.

"(D) The Commission, or any committee thereof, shall have power to require by subpoena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpoenas shall be issued under the signature of the chairman or vice chairman of the Commission or committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192-194), shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section."

Mr. BONNER (interrupting the reading of the amendment). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BONNER. Mr. Chairman, I understood the further reading of the bill had been dispensed with.

The CHAIRMAN. The Clerk is reporting the amendment offered by the gentleman from Michigan.

Mr. BONNER. Mr. Chairman, I ask unanimous consent that the further reading of the new bill be dispensed with.

Mr. MANSFIELD. I object, Mr. Chairman.

Mr. MEADER. Mr. Chairman, this amendment would create a bipartisan commission, patterned after the Hoover Commission, whose duty it would be to attack the problem of eliminating existing barriers to overseas investment of private capital.

These barriers—fear of expropriation, double taxation, instability of currency exchanges, discrimination against foreign capital, and other abnormal political hazards—have held overseas investments of American capital down to \$13,000,000,000 according to Assistant Secretary of State Miller.

By facilitating American investment abroad we will accomplish the objectives of this act far more effectively than we can by doling out public funds, however huge the amount may be.

Our American political and economic philosophy holds that the development of natural resources is a function for the private citizen—not a function of Government.

In the long run our strength, both military and economic, as well as that of nations friendly to us, will depend upon the efficiency with which natural resources are developed and utilized.

We have demonstrated the superiority of a free competitive economy over totalitarian state control and direction of the processes of production and distribution.

We can aid our friends overseas by exporting our capital and our mass-production methods if the barriers now restraining overseas investments are removed.

The legislative branch of the Government and the American public should not be excluded from participation in the solution of the problem of eliminating the barriers to expansion of private enterprise abroad.

An advisory committee however able its members may be, which is dependent upon the staff of an executive agency, does not have the capacity to conduct an independent and penetrating inquiry into these difficult problems. Such a committee can only front for the staff of the executive agency. I believe the American people have no confidence that the executive branch of the Government can be expected to do any better in the future with this program than it has in the past.

An example of this point is contained in the activities of the International Development Advisory Board. That Board's report to the President on the operation of the point 4 program, on March 7, 1951, titled "partners in progress," was not based upon any thorough exploration of the problems. No hearings to seek out the facts were conducted. That report was prepared principally by a single staff employee of the Board, with the assistance of several volunteers. The report does not purport to solve the problems of eliminating barriers to private investment; it only recites that the need for such solution exists.

The program which I am urging would take up where the International Development Advisory Board left off.

The removal of these barriers will not be easily accomplished. This problem has thus far defied solution—although there has been nothing to prevent the State Department, the ECA, or other executive agencies from solving it if the capacity to do so exists in them.

This problem will not be solved unless we assemble the best minds in this country—both as members of a commission and as members of its staff, equip them with adequate funds and fact-finding powers, and delegate to them the task of finding out what ought to be done.

The Commission should study the errors and successes of overseas investments of the past, should consult and take testimony from those who are experienced in this field and invite their suggestions and recommendations.

The Commission may not solve these difficult problems, but I can see no other way in which we can hope to promote and extend our free economic system in a chaotic world. It seems to me it is logical and intelligent for us to find out what we ought to do before we start doing it. Spending public money is not enough. We cannot buy friends. Our economy cannot support the rest of the free world indefinitely.

The Hoover Commission cost about \$2,000,000. The program this bill inaugurates may well cost \$100,000,000 over the next 10 or 15 years. It would be folly and false economy to refuse to spend a comparatively insignificant sum to find out if our objectives

cannot be more economically and effectively accomplished. It requires no great intelligence to spend and spend and spend.

We have given away over \$125,000,000,000 to aid other nations in the last decade. That has not solved anything. Before we give away another hundred billion in the decade ahead of us let us see if there is not a better way of fighting communism. I believe exporting our free economic system is a better way. I believe we can do it if we can harness the best brains in the country in a bipartisan commission to grapple with this problem.

Success cannot be assured. But we can try. If we have faith in our American principles, we will try.

(Mr. MEADER asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MEADER].

The question was taken; and on a division (demanded by Mr. MEADER) there were—ayes 63, noes 126.

So the amendment was rejected.

Mr. KENNEDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KENNEDY: On page 11, line 1 strike out "\$40,000,000" and insert "\$20,000,000."

Mr. KENNEDY. Mr. Chairman, the \$40,000,000 that is referred to here is for military assistance to "the other American Republics" which mean the countries of Central and South America. I do not object to giving them economic assistance, but I see no point in giving them \$40,000,000 of military assistance when they are countries which are not in the line of the Soviet advance, especially when it has already been said by the committee that the great need in Western Europe is for military equipment. We need equipment ourselves. What is the use of tying up \$40,000,000 worth of military equipment in Central and South America? I would suggest it might be even feasible to cut it out completely, but there may be some use for it so my amendment proposes to cut the military assistance from \$40,000,000 to \$20,000,000. I can see no point as I have said in tying up \$40,000,000 of military equipment in Central and South America where it will never be used unless Western Europe or the United States is overrun by the Soviet advance. I think it could better be sent to Western Europe or be kept in the United States.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts, [Mr. KENNEDY].

The question was taken; and on a division (demanded by Mr. KENNEDY) there were—ayes 98, noes 108.

So the amendment was rejected.

Mr. MILLER of Nebraska. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Nebraska: On page 29, lines 9 to 12, strike out lines 9 to 12.

[Mr. MILLER of Nebraska addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in moving to strike out section 513, which provides that nothing contained in this section shall be construed to infringe upon the powers and functions of the Secretary of State, I am constrained to think that the good doctor really wants to infringe upon the powers and functions of the Secretary of State. As a matter of fact the powers and functions of the Secretary of State are not personal; they are powers of long standing conferred by law.

I think we have made a pretty bold move in creating an over-all administrator, but I think the boldness is in the direction of more efficient supervision. The Administrator is at least to handle the administration and in addition to that he is to be an operator. I do not think any member of the committee thought for 1 minute that he could possibly assume unto himself the traditional powers of the Secretary of State. That is all this section 513 provides.

I hope the gentleman's amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The amendment was rejected.

The CHAIRMAN. The gentleman from South Carolina [Mr. RICHARDS] is recognized.

Mr. RICHARDS. Mr. Chairman, does this conclude the debate? If so, I am ready to move that the Committee rise.

Mr. REECE of Tennessee. Mr. Chairman, may I be recognized?

Mr. RICHARDS. Mr. Chairman, I will take my time and yield to the gentleman from Tennessee.

Mr. REECE of Tennessee. Mr. Chairman, my purpose in requesting time is to serve notice that it will be my purpose to offer a motion to recommit the bill with instructions to report the same back forthwith reducing the economic aid under title I from \$1,335,000,000 to \$985,000,000; that is, making a reduction of \$350,000,000.

Mr. RICHARDS. Mr. Chairman, as the gentleman from Tennessee has indicated what he intends to do, may I indicate, during the rest of my time, what I intend to do and what I hope will be done by a majority of the Members of this House?

The funds that the gentleman is talking about, that his recommittal motion seeks to cut, is approximately the same as the amendment that was turned down by this House an hour or two ago. Now I want to give the House my honest, candid opinion. For the peace of the world and for the security of the United States itself, it would be better—far better—for this House to cut off three or four hundred million dollars from the military aid itself. Do not forget, for every dollar of economic aid—and the great majority of this economic aid is for military production—we intend to

get and General Eisenhower intends to get two dollars of European production. About 13 percent of the total program is for economic aid for military production. The reason we are more anxious and that General Eisenhower is more anxious to get this is because we want to get out of Europe in 2 or 3 years. Until the industry is increased by our aid through this bill, we are not going to be able to meet our targets by 1954, and that is all there is to it.

If we want to keep on furnishing aid over there year after year after the 3 years is over, then cut this bill; but if we want to do what is best for the security of the United States and save our taxpayers money in the long run, vote against this motion to recommit.

[Mr. CLEMENTE addressed the Committee. His remarks will appear hereafter in the Appendix.]

[Mr. POWELL addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, pursuant to House Resolution 388, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them engross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. REECE of Tennessee. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. REECE of Tennessee. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. REECE of Tennessee moves to recommit the bill, H. R. 5113, to the Committee on Foreign Affairs with instructions to report the same back with the following amendment: On page 3, line 16, subsection (2), strike out "\$1,335,000,000" and insert "\$985,000,000."

Mr. HALLECK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 186, nays 177, not voting 69, as follows:

[Roll No. 165]

YEAS—186

Aandahl	Forrester	O'Hara
Abernethy	Fulton	Ostertag
Adair	Gamble	Passman
Allen, Calif.	Gathings	Patten
Allen, Ill.	Gavin	Patterson
Andersen,	George	Phillips
H. Carl	Golden	Poage
Anderson, Calif.	Goodwin	Potter
Andrews	Graham	Poulson
Angell	Gross	Radwan
Arends	Gwinn	Rankin
Armstrong	Hall,	Redden
Auchincloss	Leonard W.	Reece, Tenn.
Ayres	Halleck	Reed, Ill.
Baker	Hand	Rees, Kans.
Bakewell	Harden	Regan
Barden	Harris	Riehlman
Bates, Mass.	Harrison, Wyo.	Rogers, Tex.
Beall	Harvey	St. George
Beamer	Herter	Schwabe
Belcher	Hill	Scott, Hardie
Bender	Hillings	Scrivner
Bennett, Fla.	Hoeven	Sudder
Bennett, Mich.	Hoffman, Ill.	Seely-Brown
Berry	Hoffman, Mich.	Shafer
Betts	Holmes	Sheehan
Bishop	Horan	Short
Boggs, Del.	Hull	Sikes
Bow	Hunter	Simpson, Ill.
Bramblett	Jackson, Calif.	Simpson, Pa.
Bray	James	Sittler
Brooks	Jenison	Smith, Wis.
Brown, Ohio	Jenkins	Springer
Brownson	Jensen	Stanley
Budge	Jonas	Steed
Buffett	Jones,	Stefan
Burdick	Woodrow W.	Sutton
Bush	Kearney	Taylor
Butler	Keating	Teague
Byrnes, Wis.	Kennedy	Thompson,
Carlyle	Kersten, Wis.	Mich.
Chaperfield	Kilburn	Tollefson
Church	Lantaff	Towe
Clevenger	Larcade	Vail
Colmer	Latham	Van Zandt
Corbett	LeCompte	Vaughn
Coudert	Lovre	Velde
Crawford	McConnell	Vorys
Crumpacker	McCulloch	Vursell
Cunningham	McMullen	Weichel
Curtis, Mo.	McVey	Wharton
Curtis, Nebr.	Mack, Wash.	Wheeler
Dague	Martin, Iowa	Whitten
Davis, Ga.	Meador	Widnall
Denny	Miller, Md.	Williams, Miss.
Devereaux	Miller, Nebr.	Williams, N. Y.
D'Ewart	Miller, N. Y.	Willis
Dolliver	Morano	Wilson, Ind.
Dondero	Morris	Winstead
Dorn	Mumma	Withrow
Doughton	Nelson	Wolcott
Fellows	Nicholson	Wolverton
Fenton	Norblad	
Ford	Norrell	

NAYS—177

Addonizio	Chelf	Flood
Aspinall	Chudoff	Fogarty
Bailey	Clemente	Forand
Baring	Combs	Frazier
Berrett	Cooley	Fugate
Bates, Ky.	Cooper	Furcolo
Battle	Cotton	Garmatz
Beckworth	Cox	Gary
Bentsen	Crosser	Granahan
Blatnik	Dawson	Granger
Bolling	Deane	Grant
Bolton	Delaney	Green
Bonner	Dempsey	Greenwood
Bosone	Denton	Gregory
Brown, Ga.	Dingell	Hale
Bryson	Dollinger	Hardy
Buchanan	Donohue	Harrison, Va.
Burleson	Donovan	Hart
Burnside	Doyle	Havener
Burton	Eaton	Hays, Ark.
Byrne, N. Y.	Eberharter	Heffernan
Camp	Elliott	Heller
Canfield	Evins	Herlong
Cannon	Fallon	Heseltun
Carnahan	Feighan	Hollifield
Case	Fernandez	Hope
Celler	Fine	Howell

Jackson, Wash. Mack, Ill.
Jarman Madden
Javits Magee
Johnson Mahon
Jones, Ala. Mansfield
Jones, Mo. Marshall
Jones, Merrow
Hamilton C. Miller, Calif.
Judd Mills
Karsten, Mo. Morgan
Kean Moulder
Kee Multer
Kelley, Pa. Murdock
Kelly, N. Y. Murphy
Keogh Murray, Tenn.
Kerr O'Brien, Ill.
King O'Brien, Mich.
Kilrwan O'Neill
Klein O'Toole
Kluczynski Patman
Lane Perkins
Lanham Philbin
Lesinski Pickett
Lind Polk
Lyle Powell
McCarthy Price
McCormack Priest
McGrath Quinn
McGuire Rabaut
McKinnon Rains
McMillan Ramsay
Machrowicz Reams
Rhodes

NOT VOTING—69

Abbutt Fisher
Albert Gordon
Allen, La. Gore
Andresen, Hagen
August H. Hall
Anfuso Edwin Arthur
Blackney Hays, Ohio
Boggs, La. Hébert
Boykin Hedrick
Breen Hess
Brehm Hinshaw
Buckley Irving
Busbey Kearns
Chatham Lucas
Chenoweth McDonough
Cole, Kans. McGregor
Cole, N. Y. Martin, Mass.
Davis, Tenn. Mason
Davis, Wis. Mitchell
DeGraffenried Morrison
Durham Morton
Ellsworth Murray, Wis.
Elston O'Konski
Engle Preston
Woodruff

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Blackney for, with Mrs. Rogers of Massachusetts against.

Mr. Hess for, with Mr. Morton against.

Mr. Wood of Idaho for, with Mr. Anfuso against.

Mr. Reed of New York for, with Mr. Hays of Ohio against.

Mr. Chenoweth for, with Mr. Abbutt against.

Mr. Busbey for, with Mr. Chatham against.

Mr. McGregor for, with Mr. Boggs of Louisiana against.

Mr. Davis of Wisconsin for, with Mr. Cole of New York against.

Mr. August H. Andresen for, with Mr. Gore against.

Mr. Secrest for, with Mr. Gordon against.

Mr. Fisher for, with Mr. Buckley against.

Mr. Wood of Georgia for, with Mr. Prouty against.

Mr. Albert for, with Mr. Rivers against.

Mr. Hagen for, with Mr. Shelley against.

Mr. Mason for, with Mr. Mitchell against.

Mr. Taber for, with Mr. Morrison against.

Mr. Talle for, with Mr. Engle against.

Mr. Van Pelt for, with Mr. Hedrick against.

Mr. Woodruff for, with Mr. Welch against.

Mr. O'Konski for, with Mr. Whitaker against.

Until further notice:

Mr. deGraffenried with Mr. Martin of Massachusetts.

Mr. Davis of Tennessee with Mr. Brehm.
Mr. Vinson with Mr. Ellsworth.
Mr. Preston with Mr. Elston.
Mr. Durham with Mr. Edwin Arthur Hall.
Mr. Hébert with Mr. Cole of Kansas.
Mr. Sabath with Mr. McDonough.
Mr. Irving with Mr. Murray of Wisconsin.
Mr. Boykin with Mr. Saylor.
Mr. Breen with Mr. Hugh D. Scott, Jr.
Mr. Allen of Louisiana with Mr. Werdel.
Mr. Lucas with Mr. Hinshaw.
Mr. Thomas with Mr. Sadlak.

Mr. NELSON changed his vote from "nay" to "yea."

Mr. WILSON of Indiana. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. WILSON of Indiana. Mr. Speaker, I make the point of order that it is not in order in this particular instance to ask every Member of the House how he voted; otherwise I think we should have a recapitulation.

The SPEAKER. In the first place, that is not a point of order.

The result of the vote was announced as above recorded.

Mr. RICHARDS. Mr. Speaker, pursuant to the instruction of the House, I report the bill back to the House with the amendment contained in the instruction.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, line 16, subsection (2), strike out "\$1,335,000,000" and insert "\$935,000,000."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. RICHARDS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 260, nays 101, answered "present" 1, not voting 70, as follows:

[Roll No. 166]

YEAS—260

Addonizio Bureson Dempsey
Allen, Calif. Burnside Denny
Angell Burton Denton
Armstrong Byrne, N. Y. Devereux
Aspinall Byrnes, Wis. Dingell
Auchincloss Camp Dollinger
Ayres Canfield Donohue
Bailey Cannoll Donovan
Baker Carlyle Doughton
Bakewell Carnahan Doyle
Baring Case Eaton
Barrett Celler Eberhart
Bates, Ky. Chief Elliott
Bates, Mass. Chipfield Evins
Battle Chudoff Fallon
Beall Clemente Feighan
Beckworth Colmer Fenton
Bender Combs Fernandez
Bennett, Fla. Cooley Fine
Bentsen Cooper Flood
Blatnik Corbett Fogarty
Boggs, Del. Cotton Forand
Bolling Coudert Ford
Bolton Cox Forrester
Bonner Crosser Frazier
Bosone Crumpacker Fugate
Brooks Dague Fulton
Brown, Ga. Davis, Ga. Furcolo
Brownson Dawson Gamble
Bryson Deane Garmatz
Buchanan Delaney Gary

Gathings Kilday
Gavin King
Golden Kirwan
Goodwin Klein
Granahan Kluczynski
Granger Lane
Grant Lanham
Green Lantaff
Greenwood Latham
Gregory LeCompte
Gwinn Lesinski
Hale Lind
Hall Lyle
Leonard W. McCarthy
Halleck McConnell
Hardy McCormack
Harris McGrath
Harrison, Va. McGuire
Hart McKinnon
Havenner McMillan
Hays, Ark. McMullen
Heffernan Machrowicz
Heller Mack, Ill.
Herlong Mack, Wash.
Herter Madden
Heslerton Magee
Hillings Mahon
Holtfield Mansfield
Holmes Marshall
Hope Meader
Howell Merrow
Hunter Miller, Calif.
Jackson, Calif. Miller, Md.
Jackson, Wash. Miller, N. Y.
James Mills
Jarman Morano
Javits Morgan
Johnson Moulder
Jones, Ala. Multer
Jones, Mo. Mumma
Jones, Murdock
Hamilton C. Murphy
Jones, Murray, Tenn.
Woodrow W. Norblad
Judd O'Brien, Ill.
Karsten, Mo. O'Brien, Mich.
Kean O'Neill
Kearney Ostertag
Keating O'Toole
Kee Patman
Kelley, Pa. Patterson
Kelly, N. Y. Perkins
Kennedy Philbin
Keogh Pickett
Kerr Poage
Kersten, Wis. Polk
Kilburn Powell

NAYS—101

Aandahl Graham
Abernethy Gross
Adair Hand
Allen, Ill. Harden
Andersen, Harrison, Wyo.
H. Carl Harvey
Anderson, Calif. Hill
Andrews Hoeven
Arends Hoffman, Ill.
Barden Hoffman, Mich.
Beamer Horan
Belcher Hull
Bennett, Mich. Jenison
Berry Jenkins
Betts Jensen
Bishop Jonas
Bow Larcade
Bramblett Lovre
Bray McCulloch
Brown, Ohio McVey
Budge Martin, Iowa
Buffett Miller, Nebr.
Burdick Morris
Bush Nelson
Butler Nicholson
Church Norrell
Clevenger O'Hara
Crawford Passman
Curtis, Mo. Patten
Curtis, Nebr. Phillips
D'Ewart Potter
Dondero Poulson
Dorn Rankin
Fellows Reece, Tenn.
George Reed, Ill.

ANSWERED "PRESENT"—1

Cunningham

NOT VOTING—70

Abbutt Anfuso Brehm
Albert Blackney Buckley
Allen, La. Boggs, La. Busbey
Andresen, Boykin Chatham
August H. Breen Chenoweth

Cole, Kans.	Hinshaw	Saylor
Cole, N. Y.	Irving	Scott,
Davis, Tenn.	Kearns	Hugh D., Jr.
Davis, Wis.	Lucas	Secrest
DeGraffenried	McDonough	Shelley
Dolliver	McGregor	Smith, Kans.
Durham	Martin, Mass.	Stockman
Ellsworth	Mason	Taber
Elston	Mitchell	Talle
Engle	Morrison	Thomas
Fisher	Morton	Van Pelt
Gordon	Murray, Wis.	Vinson
Gore	O'Konski	Welch
Hagen	Preston	Werdel
Hall	Prouty	Whitaker
Edwin Arthur	Reed, N. Y.	Wood, Ga.
Hays, Ohio	Rivers	Wood, Idaho
Hébert	Rogers, Mass.	Woodruff
Hedrick	Sabath	
Hess	Sadlak	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Cunningham for, with Mr. Dolliver against.
 Mr. Hess for, with Mr. Van Pelt against.
 Mr. Prouty for, with Mr. Wood of Idaho against.
 Mr. Davis of Wisconsin for, with Mr. Taber against.
 Mr. Cole of New York for, with Mr. August H. Andresen against.
 Mr. Anfusio for, with Mr. Hagen against.
 Mrs. Rogers of Massachusetts for, with Mr. O'Konski against.
 Mr. Morton for, with Mr. Mason against.
 Mr. Chatham for, with Mr. Busbey against.
 Mr. Buckley for, with Mr. Woodruff against.
 Mr. Hays of Ohio for, with Mr. McGregor against.
 Mr. Rivers for, with Mr. Reed of New York against.
 Mr. Albert for, with Mr. Chenoweth against.
 Mr. Preston for, with Mr. Blackney against.
 Mr. Abbitt for, with Mr. Wood of Georgia against.
 Mr. deGraffenreid for, with Mr. Fisher against.
 Mr. Vinson for, with Mr. Secrest against.

Until further notice:
 Mr. Hébert with Mr. Kearns.
 Mr. Engle with Mr. Hinshaw.
 Mr. Welch with Mr. Werdel.
 Mr. Gordon with Mr. Talle.
 Mr. Gore with Mr. Stockman.
 Mr. Hedrick with Mr. Smith of Kansas.
 Mr. Sabath with Mr. Hugh D. Scott, Jr.
 Mr. Shelley with Mr. Saylor.
 Mr. Mitchell with Mr. Sadlak.
 Mr. Durham with Mr. Murray of Wisconsin.
 Mr. Whitaker with Mr. Ellsworth.
 Mr. Boggs of Louisiana with Mr. Elston.
 Mr. Boykin with Mr. Edwin Arthur Hall.
 Mr. Allen of Louisiana with Mr. Cole of Kansas.
 Mr. Irving with Mr. Brehm.
 Mr. Morrison with Mr. McDonough.
 Mr. Davis of Tennessee with Mr. Martin of Massachusetts.

Mr. BROWNSON changed his vote from "nay" to "yea."

Mr. CUNNINGHAM. Mr. Speaker, I have a live pair with the gentleman from Iowa, Mr. DOLLIVER, who, if present, would have voted "nay." I therefore withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on this bill prior to final passage.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

SUPPLEMENTAL APPROPRIATION BILL 1952

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 394, Rept. No. 892), which was referred to the House Calendar and ordered to be printed:

Resolved, That during the consideration of the bill (H. R. 5215) making supplemental appropriations for the fiscal year ending June 30, 1952, and for other purposes, all points of order against said bill or any provision contained therein are hereby waived.

AMENDING RULE XI (2) (F) OF HOUSE RULES

Mr. LYLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 386, Rept. No. 893), which was referred to the House Calendar and ordered to be printed:

Resolved, That rule XI (2) (f) of the Rules of the House of Representatives is hereby amended to read as follows:

"(f) The rules of the House are hereby made the rules of its standing committees so far as applicable, except that a motion to recess from day to day is hereby made a motion of high privilege in said committees, and except that each standing committee, and each subcommittee of any such committee, is authorized to fix a lesser number than a majority of its entire membership who shall constitute a quorum thereof for the purpose of taking sworn testimony: *Provided*, That such quorum shall consist of not less than one member of the majority party and one member of the minority party."

ADJOURNMENT OVER

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REQUEST TO WITHDRAW PAPERS

The SPEAKER laid before the House the following request, which was read by the Clerk:

*U. S. House of Representatives,
August 16, 1951.*

Mr. ANGELL requests, pursuant to rule XXXVIII, leave to withdraw from the files of the House papers in the case of Jess C. Layton, formerly a resident of Portland, Oreg.; all the original papers submitted in support of H. R. 8433, Seventy-fourth Congress, introduced by Representative William A. Ekwall, of Oregon, and H. R. 5091, Seventy-sixth Congress, introduced by Representative Martin S. Smith, of Washington, no adverse report having been filed thereon.

HOMER D. ANGELL,
Member of Congress.

The SPEAKER. Without objection, the request is granted.

There was no objection.

RESERVES

(Mr. STAGGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STAGGERS. Mr. Speaker, on April 12 of this year, I spoke on this floor

against the manner in which inactive reservists of this country are being called to active duty. Today I wish to state that the reservist is still being treated unfairly. Insult has been added to injury.

What has been done, after more than a year of fighting, to improve the state of reserves? We are told that about 75 percent of all officers in Korea are reservists. In an unlimited war the percentage would be even greater.

Not only was the reservist taken into active duty without any consideration of his personal problems, but when his discharge date is growing near, he is suddenly informed that his enlistment is extended another year. One reservist in my congressional district has recently written his family that his only military accomplishment to date has been "to answer muster in the morning," after being in the service for almost a year.

In my home town is an example of the way the reservists have been treated. A young man there received his discharge from the Navy and soon thereafter a Navy officer called at his home to talk about joining the Reserves. The officer emphasized the importance of the Reserves to the future of the Nation, and so forth. The boy joined, after he was assured he would not be called to active duty until men of the draft age had been called; all the active Reserves had been called; and all the National Guard had been called, then the Inactive Reserves would be called. If this is the policy of the Navy they have not kept their word in my State. It seems in West Virginia that the policy has been to call the inactive Reserves first.

The home-town boy that I am using as an example, was called to the service at the age of 39 years. He has two children and a wife to support. He is now in the Pacific, where there are 96 men in the same category and the Navy has use for only 4 of these in their particular line.

This is just one typical example of the glaring inefficiency of the way our military service is being run. If private business were handled in one-half as inefficient a manner it would fail before it got started.

This is mighty bitter medicine to take when the reservist knows that back home are young men eligible for draft, men without dependents and who have never had active military duty. Yet these reservists must continue in active service while younger men are enlisting in the National Guard or signing up in defense plants to avoid active military duty.

Can anyone explain to me the logic used in the calling of men for active duty who are in their late thirties or forties, who have families to support and who have already served their country in time of war, instead of calling the young men walking around on the streets today.

I believe it is the duty and responsibility of the Armed Services Committee to use its influence with those in charge of our military programs and stop this injustice now.

Unless we get into an all-out war, I cannot condone the calling of inactive

82^D CONGRESS
1ST SESSION

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 20 (legislative day, AUGUST 1), 1951

Read twice and referred to the Committees on foreign Relations and Armed
Services, jointly

AN ACT

To maintain the security and promote the foreign policy and
provide for the general welfare of the United States by
furnishing assistance to friendly nations in the interest of
international peace and security.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Mutual Security Act of
4 1951".

5 SEC. 2. The Congress declares it to be the purpose of
6 this Act to maintain the security and to promote the foreign
7 policy of the United States by authorizing military, economic,
8 and technical assistance to friendly countries to strengthen
9 the mutual security and individual and collective defenses of

1 the free world, to develop their resources in the interest of
2 their security and independence and the national interest
3 of the United States and to facilitate the effective participa-
4 tion of those countries in the United Nations system for col-
5 lective security. The purposes of the Mutual Defense Assist-
6 ance Act of 1949, as amended (22 U. S. C. 1571-1604),
7 the Economic Cooperation Act of 1948, as amended (22
8 U. S. C. 1501-1522), and the Act for International De-
9 velopment (22 U. S. C. 1557) shall hereafter be deemed
10 to include this purpose.

11 TITLE I—EUROPE

12 SEC. 101. (a) In order to support the freedom of Europe
13 through assistance which will further the carrying out of the
14 plans for defense of the North Atlantic area, while at the
15 same time maintaining the economic stability of the countries
16 of the area so that they may meet their responsibilities for
17 defense, and to further encourage the economic unification and
18 the political federation of Europe, there are hereby authorized
19 to be appropriated to the President for the fiscal year 1952
20 for carrying out the provisions and accomplishing the policies
21 and purpose of this Act—

22 (1) not to exceed \$5,028,000,000 for assistance
23 pursuant to the provisions of the Mutual Defense
24 Assistance Act of 1949, as amended (22 U. S. C.

1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this Act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States and for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist dominated areas of Germany and Austria, and any other countries absorbed by the Soviet Union either to form such persons into national elements of the military forces of the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance is important in the defense of the North Atlantic area and of the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph

1 are hereby authorized to be continued available through
2 June 30, 1952, and to be consolidated with the appro-
3 priation authorized by this paragraph.

4 (2) not to exceed \$985,000,000 for assistance
5 pursuant to the provisions of the Economic Coopera-
6 tion Act of 1948, as amended (22 U. S. C. 1501-1522)
7 (including assistance to further European military pro-
8 duction), for any country of Europe covered by para-
9 graph (1) of this subsection and for any other country
10 covered by section 103 (a) of the said Economic Co-
11 operation Act of 1948, as amended. In addition, un-
12 expended balances of appropriations heretofore made
13 for carrying out the purposes of the Economic Coopera-
14 tion Act of 1948, as amended, are hereby authorized
15 to be continued available through June 30, 1952, and to
16 be consolidated with the appropriation authorized by
17 this subsection: *Provided*, That not to exceed \$30,-
18 000,000 of the funds made available pursuant to this
19 subsection may be utilized to effectuate the purposes
20 of section 115 (e) of the Economic Cooperation Act of
21 1948, as amended.

22 (b) Not to exceed 5 per centum of the total of the ap-
23 propriations granted pursuant to this section may be trans-
24 ferred, when determined by the President to be necessary
25 for the purposes of this Act, between appropriations granted

1 pursuant to either paragraph of subsection (a) : *Provided*,
2 That the amount herein authorized to be transferred shall be
3 determined without reference to any balances of prior appro-
4 priations continued available pursuant to this section: *Pro-*
5 *vided further*, That, whenever the President makes any such
6 determination, he shall forthwith notify the Committee on
7 Foreign Relations of the Senate, the Committee on Foreign
8 Affairs of the House of Representatives, and the Committees
9 on Armed Services of the Senate and of the House of Rep-
10 resentatives.

11 TITLE II—NEAR EAST AND AFRICA

12 SEC. 201. In order to further the purpose of this
13 Act by continuing to provide military assistance to
14 Greece, Turkey, and Iran, there are hereby authorized
15 to be appropriated to the President for the fiscal year
16 1952, not to exceed \$415,000,000 for furnishing assistance
17 to Greece and Turkey pursuant to the provisions of the Act
18 of May 22, 1947, as amended (22 U. S. C. 1401-1410),
19 and for furnishing assistance to Iran pursuant to the pro-
20 visions of the Mutual Defense Assistance Act of 1949, as
21 amended (22 U. S. C. 1571-1604). In addition, un-
22 expended balances of appropriations heretofore made for
23 assistance to Greece and Turkey, available for the fiscal
24 year 1951, pursuant to the Act of May 22, 1947, as amended,
25 and for assistance to Iran pursuant to the Mutual Defense

1 Assistance Act of 1949, as amended, are hereby authorized
2 to be continued available through June 30, 1952, and to be
3 consolidated with the appropriation authorized by this
4 section.

5 SEC. 202. Whenever the President determines that such
6 action is essential for the purpose of this Act, he may provide
7 assistance, pursuant to the provisions of the Mutual Defense
8 Assistance Act of 1949, as amended, to any country of the
9 Near East area (other than those covered by section 201)
10 and may utilize not to exceed 10 per centum of the amount
11 made available (excluding balances of prior appropriations
12 continued available) pursuant to section 201 of this Act:
13 *Provided*, That any such assistance may be furnished only
14 upon determination by the President that (1) the strategic
15 location of the recipient country makes it of direct importance
16 to the defense of the Near East area, (2) such assistance is
17 of critical importance to the defense of the free nations, and
18 (3) the immediately increased ability of the recipient country
19 to defend itself is important to the preservation of the peace
20 and security of the area and to the security of the United
21 States.

22 SEC. 203. In order to further the purpose of this Act in
23 Africa and the Near East, there are hereby authorized to be
24 appropriated to the President, for the fiscal year 1952, not
25 to exceed \$175,000,000 for economic and technical assistance

1 in Africa and the Near East in areas other than those covered
2 by section 103 (a) of the Economic Cooperation Act of
3 1948, as amended (22 U. S. C. 1502). Funds appropriated
4 pursuant to this section shall be available under the applicable
5 provisions of the Economic Cooperation Act of 1948, as
6 amended (22 U. S. C. 1501-1522), and of the Act for
7 International Development (22 U. S. C. 1557).

8 SEC. 204. Not to exceed \$50,000,000 of the funds
9 authorized under section 203 hereof may be contributed to
10 the United Nations during the fiscal year 1952, for the pur-
11 poses, and under the provisions, of the United Nations
12 Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556):
13 *Provided*, That, whenever the President shall determine
14 that it would more effectively contribute to the purposes of
15 the said United Nations Palestine Refugee Aid Act of 1950,
16 he may allocate any part of such funds to any agency of
17 the United States Government to be utilized in furtherance
18 of the purposes of said Act: *Provided further*, That no
19 amount may be so allocated unless it will be credited by the
20 United Nations as part of the United States contribution to
21 the United Nations Palestine Refugee Agency.

22 SEC. 205. In order to assist in the relief of refugees
23 coming into Israel, not to exceed \$50,000,000 of the funds
24 authorized under section 203 hereof may be utilized during
25 the fiscal year 1952, under such terms and conditions as

1 the President may prescribe, for specific refugee relief and
2 resettlement projects in Israel.

3 TITLE III—ASIA AND PACIFIC

4 SEC. 301. In order to carry out in the general area of
5 China (including the Republic of the Philippines and the
6 Republic of Korea) the provisions of subsection (a) of
7 section 303 of the Mutual Defense Assistance Act of 1949,
8 as amended (22 U. S. C. 1604 (a)), there are hereby
9 authorized to be appropriated to the President for the fiscal
10 year 1952, not to exceed \$530,000,000. In addition, unex-
11 pended balances of appropriations heretofore made for carry-
12 ing out the provisions of title III of the Mutual Defense
13 Assistance Act of 1949, as amended (22 U. S. C. 1602-
14 1604), are hereby authorized to be continued available
15 through June 30, 1952, and to be consolidated with the
16 appropriation authorized by this section. Not to exceed
17 \$50,000,000 of funds appropriated pursuant to this section
18 (excluding balances of appropriations continued available)
19 may be accounted for as provided in subsection (a) of said
20 section 303.

21 SEC. 302. (a) In order to further the purpose of this
22 Act through the strengthening of the area covered in section
23 301 of this Act (but not including the Republic of Korea),
24 there are hereby authorized to be appropriated to the Presi-
25 dent, for the fiscal year 1952, not to exceed \$237,500,000

1 for economic and technical assistance in those portions of
2 such area which the President deems to be not under Com-
3 munist control. Funds appropriated pursuant to authority
4 of this section shall be available under the applicable pro-
5 visions of the Economic Cooperation Act of 1948, as
6 amended, and of the Act for International Development
7 (22 U. S. C. 1557). In addition, unexpended balances of
8 funds heretofore made available for carrying out the purposes
9 of the China Area Aid Act of 1950 (22 U. S. C. 1547), are
10 hereby authorized to be continued available through June
11 30, 1952, and to be consolidated with the appropriation
12 authorized by this section.

13 (b) The third proviso of section 202 of the China Area
14 Aid Act of 1950 is amended by inserting "and of Korea"
15 after "selected citizens of China" each time it appears therein.

16 SEC. 303. (a) In order to provide for the United States
17 contribution to the United Nations Korean Reconstruction
18 Agency, established by the resolution of the General As-
19 sembly of the United Nations of December 1, 1950, there are
20 hereby authorized to be appropriated to the President not to
21 exceed \$11,250,000. In addition, unobligated balances of
22 the appropriations heretofore made, and available during the
23 fiscal year 1951, for assistance to Korea under authority of
24 the Far Eastern Economic Assistance Act of 1950, as

1 amended (22 U. S. C. 1543, 1551, 1552), are hereby
2 authorized to be continued available through June 30, 1952,
3 and to be consolidated with the appropriation authorized by
4 this section.

5 (b) The sums made available pursuant to subsection
6 (a) may be contributed from time to time on behalf of the
7 United States in such amounts as the President determines to
8 be appropriate to support those functions of the United
9 Nations Korean Reconstruction Agency which the military
10 situation in Korea permits the Agency to undertake pursuant
11 to arrangements between the Agency and the United Nations
12 Unified Command. The aggregate amount which may be
13 contributed on behalf of the United States pursuant to the
14 preceding sentence shall be reduced by the value of goods
15 and services made available to Korea by any department
16 or agency of the United States for relief and economic assist-
17 ance after the assumption of responsibility for relief and
18 rehabilitation operations in Korea by the United Nations
19 Korean Reconstruction Agency.

20 (c) The provisions of subsections 304 (a) and (b) of
21 the United Nations Palestine Refugee Aid Act of 1950 (22
22 U. S. C. 1556 (b)) are hereby made applicable with respect
23 to Korean assistance furnished under this section.

24 (d) Unencumbered balances of sums heretofore or here-
25 after deposited in the special account established pursuant

1 to paragraph (2) of article V of the agreement of December
2 10, 1948, between the United States of America and the
3 Republic of Korea (62 Stat., part 3, 3788) shall be used
4 in Korea for such purposes as the President determines
5 to be consistent with United Nations programs for assistance
6 to Korea and as may be agreed to between the Government
7 of the United States and the Republic of Korea.

8 TITLE IV—AMERICAN REPUBLICS

9 SEC. 401. In order to further the purpose of this
10 Act through the furnishing of military assistance to the
11 other American Republics, there are hereby authorized to
12 be appropriated to the President, for the fiscal year 1952,
13 not to exceed \$40,000,000 for carrying out the purposes of
14 this section under the provisions of the Mutual Defense
15 Assistance Act of 1949, as amended: *Provided*, That such
16 assistance may be furnished only in accordance with defense
17 plans which are found by the President to require the re-
18 cipient country to participate in missions important to the
19 defense of the Western Hemisphere. Any such assistance
20 shall be subject to agreements, as provided herein and as
21 required by section 402 of the Mutual Defense Assistance
22 Act of 1949, as amended (22 U. S. C. 1573), designed to
23 assure that the assistance will be used to promote the de-
24 fense of the Western Hemisphere; and after agreement by
25 the Government of the United States and the country con-

1 cerned with respect to such missions, military assistance
2 hereunder shall be furnished only in accordance with such
3 agreement.

4 SEC. 402. In order to further the purpose of this Act
5 among the peoples of the American Republics through the
6 furnishing of technical assistance, there are hereby author-
7 ized to be appropriated to the President, for the fiscal year
8 1952, not to exceed \$22,000,000 for assistance under the
9 provisions of the Act for International Development (22
10 U. S. C. 1557) and of the Institute of Inter-American
11 Affairs Act, as amended (22 U. S. C. 281).

12 TITLE V—ORGANIZATION AND
13 ADMINISTRATION

14 MUTUAL SECURITY ADMINISTRATION

15 SEC. 501. (a) There is hereby established, with its
16 principal office at the seat of the Government, an agency to
17 be known as the Mutual Security Administration, herein-
18 after referred to as the Administration. The Administration
19 shall be headed by a Mutual Security Administrator, here-
20 inafter referred to as the Administrator, who shall be ap-
21 pointed by the President, by and with the advice and con-
22 sent of the Senate, and who shall be responsible to the
23 President. The Administrator shall have a status in the
24 executive branch of the Government comparable to that of

1 the head of an executive department, and shall receive com-
2 pensation at the same rate.

3 (b) There shall be in the Administration a Deputy
4 Mutual Security Administrator who shall be appointed by
5 the President, by and with the advice and consent of the
6 Senate, and shall receive compensation at the same rate as
7 that payable to an Under Secretary of an executive depart-
8 ment. The Deputy Mutual Security Administrator shall
9 perform such functions as the Administrator shall designate,
10 and shall be Acting Mutual Security Administrator during
11 the absence or disability of the Administrator or in the event
12 of a vacancy in the office of Administrator.

13 (c) Officers, employees, agents, and attorneys may be
14 employed by the Administrator for duty within the con-
15 tinental limits of the United States in accordance with the
16 provisions of the civil service laws and the Classification
17 Act of 1949, as amended, except that, of such per-
18 sonnel, not to exceed sixty may be compensated at rates
19 higher than those provided for grade 15 of the General
20 Schedule established by the Classification Act of 1949, as
21 amended, and of these, not to exceed twenty-five may be
22 compensated at a rate in excess of the highest rate provided
23 for grades of such General Schedule, but not in excess of
24 \$15,000 per annum. Such one hundred positions shall be

1 in addition to the number authorized by section 505 of the
2 Classification Act of 1949, as amended.

3 (d) Persons employed for duty outside the continental
4 limits of the United States and officers and employees of the
5 United States Government assigned for such duty, may
6 receive compensation at any of the rates provided for the
7 Foreign Service Reserve and Staff by the Foreign Service
8 Act of 1946 (22 U. S. C. 801-1158), as amended, may
9 receive allowances and benefits not in excess of those estab-
10 lished thereunder, and may be appointed to any class in the
11 Foreign Service Reserve or Staff in accordance with the
12 provisions of such Act, and assigned to duties for the
13 Administrator.

14 (e) Alien clerks and employees employed for the pur-
15 pose of performing functions under this Act shall be em-
16 ployed in accordance with the provisions of the Foreign
17 Service Act of 1946, as amended.

18 (f) Whenever the President determines it to be con-
19 sistent with and in furtherance of the purpose of this Act,
20 the head of any Government agency is authorized to—

21 (1) detail or assign any officer or employee of his
22 agency to any office or position to which no compensa-
23 tion is attached with any foreign government or foreign
24 government agency: *Provided*, That such acceptance of

1 office shall in no case involve the taking of an oath of
2 allegiance to another government; and

3 (2) detail, assign, or otherwise make available to
4 any international organization in which the United States
5 participates, any officer or employee of his agency to
6 serve with or as a member of the international staff of
7 such organizations.

8 Any such officer or employee, while so assigned or detailed,
9 shall be considered, for the purpose of preserving his privi-
10 leges, rights, seniority, or other benefits as such, an officer
11 or employee of the Government of the United States and
12 of the Government agency from which assigned or detailed,
13 and he shall continue to receive compensation, allowances,
14 and benefits from funds made available to that agency out
15 of funds authorized under this Act.

16 (g) Experts and consultants or organizations thereof
17 may be employed as authorized by section 15 of the Act of
18 August 2, 1946 (5 U. S. C. 55a), and individuals so em-
19 ployed may be compensated at a rate not in excess of \$50
20 per diem.

21 (h) No citizen or resident of the United States may be
22 employed, or if already employed, may be assigned to duties
23 by the Administrator or the Secretary of State under this
24 Act for a period to exceed three months unless (1) such

1 individual has been investigated as to loyalty and security
2 by the Federal Bureau of Investigation and a report thereon
3 has been made to the Administrator and the Secretary of
4 State, and until the Administrator or the Secretary of State
5 has certified in writing (and filed copies thereof with the
6 Senate Committee on Foreign Relations and the House Com-
7 mittee on Foreign Affairs) that, after full consideration of
8 such report, he believes such individual is loyal to the United
9 States, its Constitution, and form of government, and is not
10 now and has never been a member of any organization advo-
11 cating contrary views; or (2) such individual has been
12 investigated by a military intelligence agency and the Sec-
13 retary of Defense has certified in writing that he believes
14 such individual is loyal to the United States and filed copies
15 thereof with the Senate Committee on Foreign Relations
16 and the House Committee on Foreign Affairs. This subsec-
17 tion shall not apply in the case of any officer appointed by
18 the President by and with the advice and consent of the
19 Senate, nor shall it apply in the case of any officer or em-
20 ployee previously investigated and certified.

21 GENERAL FUNCTIONS OF ADMINISTRATOR

22 SEC. 502. (a) Except as otherwise provided in this
23 Act, there shall be transferred to the Administrator the
24 powers and functions conferred upon—

25 (1) the Administrator for Economic Cooperation by

1 the Economic Cooperation Act of 1948, as amended,
2 and the Far Eastern Economic Assistance Act of 1950,
3 as amended;

4 (2) the Secretary of State under the Institute of
5 Inter-American Affairs Act; and

6 (3) the President by the Mutual Defense Assistance
7 Act of 1949, as amended, the Act for International
8 Development, and the Act of May 22, 1947, as amended,
9 except the power to conclude international agreements,
10 the power to make appointments by and with the advice
11 and consent of the Senate, and the powers enumerated in
12 section 408 (c) of the Mutual Defense Assistance Act
13 of 1949, as amended.

14 (b) The following agencies and offices shall cease to
15 exist:

16 (1) The Economic Cooperation Administration and the
17 offices of Administrator and Deputy Administrator for Eco-
18 nomic Cooperation;

19 (2) The office of United States Special Representative
20 in Europe and of Deputy United States Special Representa-
21 tive in Europe created by the Economic Cooperation Act of
22 1948, as amended;

23 (3) The office created by section 413 (a) of the Act for
24 International Development;

1 (4) The offices created by section 406 (e) of the Mutual
2 Defense Assistance Act of 1949, as amended.

3 (c) Any personnel, upon the certification of the Ad-
4 ministrator and with the approval of the Director of the
5 Bureau of the Budget that such personnel are necessary to
6 carry out the functions of the Administrator, and all records
7 and property which the Director of the Bureau of the Budget
8 determines are used primarily in the administration of the
9 powers and functions transferred to the Administrator by this
10 Act, shall be transferred to the Mutual Security Admin-
11 istration.

12 SEC. 503. In order to strengthen and make more effec-
13 tive the conduct of the foreign relations of the United States,
14 and to carry out the purpose of this Act—

15 (a) the Secretary of State, the Administrator, and
16 the Secretary of Defense shall keep each other fully and
17 currently informed on matters, including prospective
18 action, arising within the scope of their respective duties
19 which are pertinent to the duties of the other;

20 (b) whenever the Secretary of State believes that
21 any action, proposed action, or failure to act on the part
22 of the Administrator is inconsistent with the foreign-
23 policy objectives of the United States, he shall consult
24 with the Administrator and, if differences of view are

1 not adjusted by consultation, the matter shall be referred
2 to the President for final decision;

3 (c) whenever the Secretary of Defense believes that
4 any action, proposed action, or failure to act on the
5 part of the Administrator is inconsistent with the military
6 security objectives of the United States, he shall consult
7 with the Administrator and, if differences of view are not
8 adjusted by consultation, the matter shall be referred to
9 the President for final decision; and

10 (d) whenever the Administrator believes that any
11 action, proposed action, or failure to act on the part of
12 the Secretary of State or the Secretary of Defense in
13 performing functions under this Act, is inconsistent with
14 the purpose and provisions of this Act, he shall consult
15 with the Secretary of State and the Secretary of Defense
16 as appropriate and, if differences of view are not ad-
17 justed by consultation, the matter shall be referred to
18 the President for final decision.

19 MEMBERSHIP IN OTHER AGENCIES

20 SEC. 504. (a) Section 4 (a) of Public Law 171,
21 Seventy-ninth Congress, as amended (59 Stat. 512), is
22 amended by striking out "Economic Cooperation Admin-
23 istration" and inserting in lieu thereof "Mutual Security
24 Administration" and by striking out "Administrator for

1 Economic Cooperation” and inserting in lieu thereof “Mutual
2 Security Administrator”.

3 (b) Clause (6) of the fourth paragraph of section 101
4 (a) of Public Law 253, Eightieth Congress, as amended,
5 is hereby further amended by inserting after “Munitions
6 Board,” the following: “the Mutual Security Administrator
7 so long as the Mutual Security Administration shall con-
8 tinue to exist,”.

9 PUBLIC ADVISORY BOARDS

10 SEC. 505. (a) The Boards provided for by section
11 107 of the Economic Cooperation Act, as amended, and by
12 section 409 of the Act for International Development shall
13 advise and consult with the Mutual Security Administrator.

14 (b) The Administrator may appoint such other advisory
15 committees as he may determine to be necessary or desirable
16 to effectuate the purpose of this Act.

17 REGIONAL MUTUAL SECURITY REPRESENTATIVES

18 SEC. 506. (a) There shall be a United States Mutual
19 Security Representative in Europe who shall (1) be ap-
20 pointed by the President, by and with the advice and consent
21 of the Senate, (2) be entitled to receive the same compensa-
22 tion and allowances as a chief of mission, class 1, within the
23 meaning of the Act of August 13, 1946 (22 U. S. C. 801-
24 1158), and (3) have the rank of ambassador extraordinary
25 and plenipotentiary. He shall be the representative of the

1 Administrator and receive his instructions from him, and such
2 instructions shall be prepared and transmitted to him in
3 accordance with procedures agreed to among the Adminis-
4 trator, the Secretary of State, and the Secretary of Defense
5 in order to assure appropriate coordination as provided by
6 section 503 of this title. He shall coordinate the activities
7 of the chiefs of such special missions provided for in section
8 507 of this title as may be placed under his jurisdiction by
9 the Administrator. He shall keep the Administrator, the
10 Secretary of State, the Secretary of Defense, the chiefs of the
11 United States diplomatic missions, and the chiefs of the
12 special missions provided for herein fully and currently in-
13 formed concerning his activities. He shall consult with the
14 chiefs of all such missions, who shall give him such coopera-
15 tion as he may require for the performance of his duties
16 under this title.

17 (b) There shall be a Deputy United States Mutual
18 Security Representative in Europe who shall (1) be ap-
19 pointed by the President, by and with the advice and con-
20 sent of the Senate; (2) be entitled to receive the same
21 compensation and allowances as a chief of mission, class 3,
22 within the meaning of the Act of August 13, 1946; and (3)
23 have the rank of ambassador extraordinary and plenipoten-
24 tiary. The Deputy shall perform such functions as the United

1 States Mutual Security Representative in Europe shall des-
2 ignate, and shall be Acting United States Mutual Security
3 Representative in Europe during the absence or disability, or,
4 in the event of a vacancy in the office, of the Representative.

5 (c) The Deputy United States Representative North
6 Atlantic Council and the United States Mutual Security
7 Representative in Europe shall keep each other fully and
8 currently informed concerning their activities.

9 (d) When necessary to carry out the purpose of this
10 Act, the President is authorized to appoint not more than
11 three additional Mutual Security Representatives for other
12 regions in accordance with the applicable provisions of sub-
13 section (a) of this section. Any Mutual Security Repre-
14 sentative appointed pursuant to this section shall be entitled
15 to receive the same rank, compensation, and allowances as
16 the highest ranking chief of any United States diplomatic
17 mission in the region.

18 SPECIAL MUTUAL SECURITY MISSIONS ABROAD

19 SEC. 507. (a) Except as provided in subsection (e)
20 of this section, the Administrator may establish in each coun-
21 try receiving assistance under this Act a special mutual se-
22 curity mission under the direction of a chief who shall be
23 responsible for assuring the performance within such country
24 of operations under this Act. The chief shall be appointed
25 by the Administrator, shall receive his instructions from the

1 Administrator, and shall report to the Administrator on the
2 performance of the duties assigned to him. The chief of the
3 special mission shall take rank immediately after the chief of
4 the United States diplomatic mission in such country; and
5 the chief of the special mission shall be entitled to receive
6 the same compensation and allowances as a chief of mission,
7 class 3, or a chief of mission, class 4, within the meaning
8 of the Act of August 13, 1946, or compensation and allow-
9 ances in accordance with section 501 (d) of this Act, as the
10 Administrator shall determine to be necessary or appropriate.

11 (b) The chief of the special mission shall keep the chief
12 of the United States diplomatic mission fully and currently
13 informed on matters, including prospective action, arising
14 within the scope of the operations of the special mission and
15 the chief of the diplomatic mission shall keep the chief of the
16 special mission fully and currently informed on matters rela-
17 tive to the conduct of the duties of the chief of the special
18 mission. The chief of the United States diplomatic mission
19 will be responsible for assuring that the operations of the
20 special mission are consistent with the foreign-policy objec-
21 tives of the United States in such country, and to that end
22 whenever the chief of the United States diplomatic mission
23 believes that any action, proposed action, or failure to act on
24 the part of the special mission is inconsistent with such
25 foreign-policy objectives, he shall so advise the chief of the

1 special mission and the United States Mutual Security
2 Representative. If differences of view are not adjusted by
3 consultation, the matter shall be referred to the Secretary of
4 State and the Administrator for decision.

5 (c) With the approval of the Secretary of State the
6 Administrator may, if he deems it appropriate, direct that
7 the functions of the chief or deputy chief of the special mission
8 in any country be assumed by the chief of the United States
9 diplomatic mission or any other member of the mission in that
10 country. The member of the mission so designated shall
11 report to the Administrator, and shall receive directions
12 from him, with respect to carrying out functions relating to
13 the purpose of this Act.

14 (d) The Secretary of State shall provide such office
15 space, facilities, and other administrative services for the
16 United States Mutual Security Representatives and their
17 staffs, and for each special mission, as may be agreed between
18 the Secretary of State and the Administrator.

19 (e) With respect to any of the zones of occupation of
20 Germany and of the Free Territory of Trieste, during the
21 period of occupation, the President shall make appropriate
22 administrative arrangements for the conduct of operations
23 under this title, in order to enable the Administrator to carry
24 out his responsibility to assure the accomplishment of the
25 purpose of this Act.

ELIGIBILITY FOR ASSISTANCE

SEC. 508. (a) No military, economic, or technical assistance (other than assistance provided under section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the President finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to join in promoting and maintaining world peace and to take such action as may be mutually agreed upon to eliminate causes of international tension. Such agreements shall include appropriate provisions for such country to—

(1) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(2) make, consistent with its political stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world; and

(3) adopt all reasonable military, economic, and security measures which may be needed to develop its defense capacities and to insure the effective utilization

1 of the economic and military assistance provided by the
2 United States.

3 (b) No economic or technical assistance shall be supplied
4 to any other nation unless the President finds that the
5 supplying of such assistance will strengthen the security of
6 the United States and promote world peace, and unless the
7 recipient country has agreed to join in promoting inter-
8 national understanding and good will, and maintaining world
9 peace, and to take such action as may be mutually agreed
10 upon to eliminate causes of international tension.

11 RESPONSIBILITIES OF SECRETARY OF DEFENSE

12 SEC. 509. In the case of aid under this Act for military
13 items and related technical assistance and advice, the Sec-
14 retary of Defense shall procure and furnish such military
15 items and related technical assistance and advice: *Provided*,
16 That the Secretary of Defense, after consultation with the
17 Joint Chiefs of Staff and the Administrator, shall determine
18 the priority in which military items shall be allocated. Not-
19 withstanding any other provision of law, during the fiscal
20 year 1952 the Secretary of Defense may furnish (with or
21 without reimbursement from the President) all or part of
22 such military items out of the materials of war whose pro-
23 duction in the United States shall have been authorized for,
24 and appropriated to, the Department of Defense: *Provided*,
25 *however*, That nothing in this Act shall authorize the furnish-

1 ing of military items under this section in excess of 11 per
2 centum of the aggregate dollar value of the materials of war
3 whose production in the United States shall have been
4 authorized for, and appropriated to, the Department of De-
5 fense for the three-year period beginning July 1, 1949.
6 For the purposes of this section, (1) "value" shall be deter-
7 mined in accordance with section 402 (c) of the Mutual
8 Defense Assistance Act of 1949, and (2) the term "mate-
9 rials of war" means those goods, commonly known as mili-
10 tary items, which are required for the performance of their
11 missions by armed forces of a nation, including weapons,
12 military vehicles, ships of war under fifteen hundred tons,
13 aircraft, military communications equipment, ammunition,
14 maintenance parts and spares, and military hardware.

15 TERMINATION OF ASSISTANCE

16 SEC. 510. (a) After June 30, 1954, or after the date
17 of the passage of a concurrent resolution by the two Houses
18 of Congress before such date, none of the authority conferred
19 on the Administrator by this Act may be exercised; except
20 that during the twelve months following such date commodi-
21 ties and services with respect to which the Administrator
22 had, prior to such date, authorized procurement for, ship-
23 ment to, or delivery in a participating country, may be trans-
24 ferred to such country, and funds appropriated under au-
25 thority of this Act may be obligated during such twelve-

1 month period for the necessary expenses of procurement,
2 shipment, delivery, and other activities essential to such
3 transfer and shall remain available during such period for
4 the necessary expenses of liquidating operations under this
5 Act: *Provided*, That nothing in this Act shall be deemed to
6 extend the period during which any powers under the Eco-
7 nomic Cooperation Act of 1948, as amended, may be exer-
8 cised beyond the date specified for its termination by section
9 122 of that Act.

10 (b) At such time as the President shall find appro-
11 priate after such date, and prior to the expiration of the
12 twelve months following such date, the powers, duties, and
13 authority of the Administrator under this Act may be trans-
14 ferred to such other departments, agencies, or establishments
15 of the Government as the President shall specify, and the
16 relevant funds, records, and personnel of the Administration
17 may be transferred to the departments, agencies, or estab-
18 lishments to which the related functions are transferred.

19 TERMINATION OF ASSISTANCE BY PRESIDENT

20 SEC. 511. If the President determines that the furnish-
21 ing of assistance to any nation—

22 (1) is no longer consistent with the national interest
23 or security of the United States or the policies and pur-
24 pose of this Act; or

(2) would contravene a decision of the Security Council of the United Nations; or

(3) would be inconsistent with the principle that members of the United Nations should refrain from giving assistance to any nation against which the Security Council or the General Assembly has recommended measures in case of a threat to, or breach of, the peace, or act of aggression,

he shall terminate all or part of any assistance furnished pursuant to this Act. The function conferred herein shall be in addition to all other functions heretofore conferred with respect to the termination of military, economic, or technical assistance.

EFFECTIVE DATE

SEC. 512. All provisions of this Act except subsections (a), (b), and (c) of section 502, and sections 615, 617 (3), and 618, shall take effect upon the date of its enactment. Subsections (a), (b), and (c) of section 502, and sections 615, 617 (3), and 618 shall take effect on such date, not more than sixty days after the date the Administrator first appointed takes office, as the President shall prescribe.

THE SECRETARY OF STATE

SEC. 513. Nothing contained in this Act shall be con-

1 strued to infringe upon the powers or functions of the
2 Secretary of State.

3 **TITLE VI—GENERAL PROVISIONS**

4 SEC. 601. In order to carry out the purpose of this Act,
5 with respect to those countries eligible to receive assistance
6 as provided herein, funds shall be available as authorized and
7 appropriated to the President each fiscal year.

8 SEC. 602. Whenever the President determines it to
9 be necessary for the purpose of this Act, not to exceed
10 10 per centum of the funds made available under any title
11 of this Act may be transferred to and consolidated with
12 funds made available under any other title of this Act in
13 order to furnish, to a different area, assistance of the kind
14 for which such funds were available before transfer. When-
15 ever the President makes any such determination, he shall
16 forthwith notify the Committee on Foreign Relations of
17 the Senate and the Committee on Foreign Affairs of the
18 House of Representatives. In the case of the transfer of
19 funds available for military purposes, he shall also forthwith
20 notify the Committees on Armed Services of the Senate and
21 House of Representatives.

22 SEC. 603. In order to promote the increased production,
23 in areas covered by this Act, of materials in which the
24 United States is deficient, there are hereby authorized to
25 be appropriated to the President for the fiscal year 1952

1 not to exceed \$55,000,000 to be used pursuant to the author-
2 ity contained in the Economic Cooperation Act of 1948, as
3 amended (22 U. S. C. 1501-1522).

4 SEC. 604. The Administrator shall require all countries
5 participating in any United States aid program or in any
6 international organization receiving United States aid to so
7 deposit, segregate, or assure title to all funds or property
8 allocated to or derived from any program so that the same
9 shall not be subject to garnishment, attachment, seizure, or
10 other legal process by any person, firm, agency, corporation,
11 organization, or government.

12 SEC. 605. (a) In order to bring about the availability
13 of international resources to further the purpose of this Act
14 and to reduce requirements for assistance under this Act,
15 the Administrator shall ascertain through the National Ad-
16 visory Council on International Monetary and Financial
17 Problems whether there can be established, and to make
18 recommendations to the Congress on the establishment of,
19 organizations or corporations affiliated with the International
20 Bank for Reconstruction and Development to assist in financ-
21 ing, where adequate financing is not otherwise available on
22 reasonable terms, essential public works and productive enter-
23 prises in economically underdeveloped areas.

24 (b) The Administrator is requested to recommend to the
25 Congress such action as will in his judgment be desirable

1 to eliminate the barriers to, and provide incentives for, a
2 steadily increased participation of private enterprise in de-
3 veloping the resources of foreign countries consistent with
4 the policies of this Act. The Secretary of State is requested
5 to undertake, after consultation with the Administrator and
6 the Secretary of the Treasury, negotiations with the repre-
7 sentatives of foreign governments looking to the early removal
8 of such obstacles and barriers as now exist to the maximum
9 participation of private enterprise in such development.

10 SEC. 606. (a) As used in this section—

11 (1) the term “invention” means an invention or
12 discovery covered by a patent issued by the United
13 States, and

14 (2) the term “information” means information
15 originated by or peculiarly within the knowledge of the
16 owner thereof and those in privity with him, which is
17 not available to the public and is subject to protection
18 as property under recognized legal principles.

19 (b) Whenever, in connection with the furnishing of
20 any assistance in furtherance of the purpose of this Act—

21 (1) use within the United States, without authori-
22 zation by the owner, shall be made of an invention, or

23 (2) damage to the owner shall result from the dis-
24 closure of information by reason of acts of the United
25 States or its officers or employees,

1 the exclusive remedy of the owner of such invention or
2 information shall be by suit against the United States in the
3 Court of Claims or in the district court of the United States in
4 which such owner is a resident for reasonable and entire com-
5 pensation for unauthorized use or disclosure. In any such suit
6 the United States may avail itself of any and all defenses,
7 general or special, that might be pleaded by any defendant in
8 a like action.

9 (c) Before such suit against the United States has been
10 instituted, the head of the appropriate department or agency
11 of the Government, which has furnished any assistance
12 in furtherance of the purpose of this Act, is authorized and
13 empowered to enter into an agreement with the claimant,
14 in full settlement and compromise of any claim against the
15 United States hereunder.

16 (d) This section shall not confer a right of action on
17 anyone or his successor or assignee who, when he makes
18 such a claim, is in the employment or service of the United
19 States, or who, while in the employment or service of the
20 United States, discovered, invented, or developed any inven-
21 tion or information on which such claim is based.

22 (e) Except as otherwise provided by law, no recovery
23 shall be had for any infringement of a patent committed
24 more than six years prior to the filing of the complaint or
25 counterclaim for infringement in the action, except that the

1 period between the date of receipt by the Government of a
2 written claim under subsection (c) above for compensa-
3 tion for infringement of a patent and the date of mailing by
4 the Government of a notice to the claimant that his claim
5 has been denied shall not be counted as part of the six years,
6 unless suit is brought before the last-mentioned date.

7 SEC. 607. Notwithstanding any of the provisions of the
8 Defense Production Act of 1950, as amended—

9 (1) The Administrator shall have responsibility for
10 representing, before the authorities in the executive
11 branch of the Government charged with the administra-
12 tion of title I of such Act, the needs of all countries
13 receiving assistance under this Act, and of such other
14 countries as the President may direct, for United States
15 commodities and facilities.

16 (2) Whenever allocations under such Act of United
17 States commodities and facilities for foreign countries re-
18 ceiving assistance under this Act, and for foreign assist-
19 ance programs in such countries, are made on an over-
20 all, and not on a country-by-country, basis, the Adminis-
21 trator shall have the authority and responsibility of
22 apportioning, among such countries, the United States
23 commodities and facilities so allocated.

24 SEC. 608. The President, from time to time while funds

1 appropriated for the purpose of this Act continue to be
2 available for obligation, shall transmit to the Congress, in
3 lieu of any reports otherwise required by law, reports cover-
4 ing each six months of operations in furtherance of the pur-
5 pose of this Act, except information the disclosure of which
6 he deems incompatible with the security of the United States.
7 The first such report shall cover the six-month period com-
8 mencing on the date this Act becomes effective. Reports
9 provided for under this section shall be transmitted to the
10 Secretary of the Senate or the Clerk of the House of Repre-
11 sentatives, as the case may be, if the Senate or the House of
12 Representatives, as the case may be, is not in session.

13 SEC. 609. (a) Upon a determination by the Admin-
14 istrator that it will further the purpose of this Act, not to
15 exceed \$10,000,000 of the funds made available pursuant
16 to section 203 of this Act and not to exceed \$25,000,000
17 of funds made available pursuant to section 302 of this Act
18 may be advanced to countries covered by said sections in
19 return for equivalent amounts of the currency of such coun-
20 tries being made available to meet local currency needs of
21 the aid programs in such countries pursuant to agreements
22 made in advance with the United States: *Provided*, That
23 except when otherwise prescribed by the Administrator
24 as necessary to the effective accomplishment of the aid pro-
25 grams in such countries, all funds so advanced shall be held

1 under procedures set out in such agreements until used to pay
2 for goods and services approved by the United States or
3 until repaid to the United States for reimbursement to the
4 appropriation from which drawn.

5 (b) In order to assist in carrying out the provisions of
6 the Economic Cooperation Act of 1948, as amended, not
7 to exceed \$50,000,000 of funds made available under the
8 authority of this Act for assistance pursuant to the pro-
9 visions of the Economic Cooperation Act of 1948, as
10 amended (22 U. S. C. 1501-1522), may be used to acquire
11 local currency for the purpose of increasing the production
12 of materials in which the United States is deficient.

13 SEC. 610. Funds realized from the sales of notes pur-
14 suant to section 111 (c) (2) of the Economic Cooperation
15 Act of 1948, as amended, shall be available for making
16 guaranties of investments in accordance with the applicable
17 provisions of sections 111 (b) (3) and 111 (c) (2) of the
18 Economic Cooperation Act, as amended, in any area in
19 which assistance is authorized by this Act.

20 SEC. 611. Funds made available for carrying out the
21 provisions of title I of this Act shall be available for the
22 administrative expenses of carrying out the purposes of all
23 of the titles of this Act, including expenses incident to United
24 States participation in international security organizations
25 and expenses in the United States in connection with pro-

grams authorized under the Act for International Development. Any currency of any nation received by the United States for its own use in connection with assistance furnished by the United States may be used by any agency of the Government without reimbursement from any appropriation for the administrative and operating expenses of carrying out the purpose of this Act. Funds made available for carrying out the purpose of this Act in the Federal Republic of Germany may, as authorized in subsection 114 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1512 (h)), be transferred by the President to any department or agency for the expenses necessary to meet the responsibilities and obligations of the United States in the Federal Republic of Germany.

SEC. 612. The Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), is hereby amended as follows:

(1) In section 111 (c) by adding a new paragraph as follows:

“(3) From the funds made available under authority of the Mutual Security Act of 1951 for assistance to be provided under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), not less than 20 per centum shall

1 be provided on credit terms as specified in that Act.”

2 (2) In section 115 (b) (6) by—

3 (A) inserting in the second proviso thereof after
4 “wealth” the following: “for the encouragement of emi-
5 gration pursuant to subsection (e) of this section”;

6 (B) adding in the last clause of the second proviso
7 “and operating” after “administrative”;

8 (C) striking from the last clause of the second
9 proviso “within such country”; and

10 (D) adding at the end thereof the following new
11 sentences: “The Administrator shall exercise the power
12 granted to him by this paragraph to make agreements
13 with respect to the use of the funds deposited in the
14 special accounts of the ‘participating countries’ (as de-
15 fined in section 103 (a) hereof) in such a manner that
16 the equivalent of not less than \$500,000,000 of such
17 funds shall be used exclusively for military production in
18 such ‘participating countries’. The amount to be de-
19 voted from each such special account for such use shall
20 be agreed upon by the Administrator and the country
21 or countries concerned”.

22 SEC. 613. (a) Section 402 of the Mutual Defense
23 Assistance Act of 1949, as amended (22 U. S. C. 1573), is
24 hereby amended by striking out the period at the end thereof
25 and inserting in lieu thereof a semicolon and the following:

1 “(e) Guarantees by such eligible nation that it will
2 not undertake any act of aggression against any other
3 state;

4 “(f) Guarantees by the eligible nation that it will
5 notify the United States whenever it ceases to use any
6 equipment or material furnished to it under this Act
7 (other than equipment or material furnished under terms
8 requiring the nation to reimburse the United States in
9 full therefor) for the purposes of this Act and that it will
10 transfer title to, and possession of, such equipment or
11 material to the United States (1) for return to the
12 continental United States for salvage or scrap, or (2)
13 for such other disposition as the President shall deem to
14 be in the interest of the United States.”

15 (b) Section 408 (e) of the Mutual Defense Assistance
16 Act of 1949, as amended (22 U. S. C. 1580), is hereby
17 amended by adding in the first proviso thereof, after the
18 words “of which it is a part”, the words “or in United
19 Nations collective security arrangements and measures”,
20 and by changing the figure at the end thereof to
21 “\$500,000,000”.

22 SEC. 614. The proviso in the first sentence of section
23 403 (d) of the Mutual Defense Assistance Act of 1949, as
24 amended (22 U. S. C. 1574 (d)), is hereby amended to
25 read as follows: “*Provided*, That after June 30, 1950, such

1 limitation shall be increased by \$250,000,000 and after
2 June 30, 1951, by an additional \$450,000,000”.

3 SEC. 615. Section 104, subsections (b) and (c) of sec-
4 tion 105, and sections 108 through 110 of the Economic
5 Cooperation Act of 1948, as amended, are hereby repealed.

6 SEC. 616. (a) In order to effectuate the purpose of sec-
7 tion 136 of the Legislative Reorganization Act of 1946, as
8 amended, the Committee on Foreign Affairs of the House of
9 Representatives is authorized to appoint and, in accordance
10 with the provisions of that Act, fix the compensation of such
11 professional and clerical personnel, in addition to those au-
12 thorized by existing law, as may be necessary to enable the
13 committee to oversee the performance by the executive agen-
14 cies concerned of their duties, responsibilities, and functions
15 under this Act in the interest of an efficient and economical
16 administration of this Act.

17 (b) There are hereby authorized to be appropriated
18 such sums as may be necessary to carry out the provisions
19 of this section, to be disbursed by the Clerk of the House of
20 Representatives on vouchers signed by the chairman.

21 (c) In every country where local currency is made
22 available for local currency expenses of the United States in
23 connection with assistance furnished by the United States,
24 the local currency administrative and operating expenses

1 incurred in fulfilling the purpose of this section shall be
2 charged to such local currency funds to the extent available.

3 SEC. 617. The Act for International Development is
4 amended as follows:

5 (1) By adding before the period at the end of section
6 404 (b) the following: “: *Provided*, That for the fiscal year
7 ending June 30, 1952, such contributions from funds made
8 available under authority of sections 101 (a) (2), 203, 302,
9 and 402 of the Mutual Security Act of 1951 shall not exceed
10 in the aggregate \$13,000,000, and the use of such contribu-
11 tions shall not be limited to the area covered by the section
12 of the Act from which the funds are drawn”.

13 (2) By adding at the end of section 407 a new para-
14 graph:

15 “(d) Participating countries shall be encouraged to
16 negotiate agreements with the United Nations and its special-
17 ized agencies, or otherwise, to establish fair labor standards
18 of wages and working conditions and management-labor re-
19 lations.”

20 (3) By repealing sections 413 and 414.

21 SEC. 618. The Institute of Inter-American Affairs Act
22 is amended as follows:

23 (1) By striking out “Department of State” wherever it

1 occurs in section 5 and inserting in lieu thereof "Mutual
2 Security Administration"; and

3 (2) By amending section 8 to read as follows:

4 "SEC. 8. The Mutual Security Administrator shall have
5 authority to detail employees of the Mutual Security Admin-
6 istration to the Institute under such circumstances and upon
7 such conditions as he may determine, and the Secretary of
8 State, upon the request of the Mutual Security Administrator,
9 may detail employees of the Department of State to the
10 Institue: *Provided*, That any such employee so detailed shall
11 not lose any privileges, rights, or seniority as an employee
12 of the Government by virtue of such detail."

Passed the House of Representatives August 17, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

August 20 (legislative day, August 1), 1951

Read twice and referred to the Committees on Foreign Relations and Armed Services, jointly

Daily Digest

HIGHLIGHTS

Senate cleared three general appropriation bills, and a measure on admissions tax exemption for servicemen for President, and agreed to conference report on Housing.

House passed supplemental appropriation bill for 1952 and 23 miscellaneous measures.

Senate Judiciary Committee voted to report numerous private bills and measure on overtime-compensation claims.

Bills regarding Alaskan public airports and customs-immigration facility construction ordered reported by House committees.

Conferees agreed to file report on defense housing bill.

Senate

Chamber Action

Routine Proceedings, pages 10505-10511

Bills Introduced: Twelve bills and seven resolutions were introduced, as follows: S. 2017 to S. 2028; S. J. Res. 92 and S. J. Res. 93; S. Con. Res. 41 and S. Con. Res. 42; and S. Res. 193 to S. Res. 195. Pages 10507-10510

Bills Reported: Reports were made as follows:

Report of Committee on Rules and Administration on Maryland senatorial election of 1950, pursuant to S. Res. 250 of Eighty-first Congress with individual views (S. Rept. 647);

H. R. 4521, to amend and extend the Sugar Act of 1948 (S. Rept. 648);

S. 515, to improve RFC operations, with amendments, and with individual views (S. Rept. 649);

H. R. 4024, to authorize certain easements in Texas, California, and Missouri (S. Rept. 650);

H. R. 4113, to provide that distinctive mark or insignia shall not be required in the uniforms worn by members of the U. S. National Guard, both Army and Air (S. Rept. 651);

H. R. 4260, to authorize the Secretary of the Army to transfer to the Department of the Interior the quartermaster experimental fuel station, Pike County, Mo. (S. Rept. 652);

S. 1260, to authorize the acquisition of property for the establishment of a Federal civil defense technical training school (S. Rept. 653);

H. R. 1764, settlement of maritime claims by the Army and Air Force (S. Rept. 654);

H. R. 1216, transfer of U. S. Provisional Philippine Scout Hospital to the Philippine Republic, with amendments (S. Rept. 655);

S. Con. Res. 41, S. Res. 193, S. 575, 954, 1277, 1772, 1844, H. R. 581, 627, 644, 970, 982, 1454, 1920, 2158, 2160, 2179, 2292, 2514, 2787, 3214, 3819, 3823, 4038, S. 519, 617, 669, 906, 1013, H. R. 608, 725, 857, 1971, 2276, S. 1023, 1203, and 1713, private bills (S. Repts. 656-692, respectively); and

S. 751, conferring jurisdiction on Court of Claims to hear certain basic overtime compensation claims (S. Rept. 693). Pages 10507-10509, 10511-10517, 10526

Bills Referred: Two House-passed bills were referred to appropriate committees. Page 10510

Bill Rereferred: Committee on Finance was discharged from further consideration of S. 1940, providing educational and training benefits to veterans serving in active military, naval, or air service on or after June 27, 1950, and it was rereferred to Committee on Labor and Public Welfare. Page 10510

President's Messages: Received two messages from President, as follows: (1) regarding Soviet reply to transmittal of S. Con. Res. 11, reaffirming the friendship of the American people to all peoples of the world, including the peoples of the Soviet Union—referred to Committee on Foreign Relations; and (2) on rehabilitation of midwestern flood-stricken areas—referred to Committees on Appropriations and on Public Works. Pages 10549-10550, 10619-10621

Admissions Tax: Senate passed and cleared for White House H. R. 4601, exempting uniformed members of the Armed Forces from admissions tax. Page 10515

Appropriations—Cleared for President: Senate adopted conference reports on and cleared for President three appropriations bills, after agreeing to House

amendments to Senate amendments or receding from its amendments, as follows:

Agriculture: H. R. 3973, Agriculture appropriations for 1952, receding from its disagreement to and concurring in House amendments to Senate amendments Nos. 21, 30, and 60;

Labor-FSA: H. R. 3709, Labor-FSA appropriations for 1952, receding from its disagreement to and concurring in House amendments to Senate amendments Nos. 131 and 132;

Interior: H. R. 3790, Interior appropriations for 1952, receding from its disagreement to and concurring in House amendments to Senate amendments Nos. 4, 5, 8, 14, 24, 40, 57, 83, and 124. Senate also receded from its amendment No. 10½.

Pages 10517-10518, 10523

Defense Housing: Conference report on S. 349, Defense Housing and Community Facilities and Services Act of 1951, was adopted.

Pages 10550-10553, 10623-10626

Long-Range Shipping: Senate debated S. 241, long-range shipping bill.

Page 10511

Confirmation: The nomination of Kenneth G. Heisler, of Washington, to be a member of the Home Loan Bank Board, was confirmed.

Page 10554

Nominations: Twenty-two Navy nominations were received.

Page 10554

Program for Tuesday: Senate recessed at 6:16 p. m. until noon Tuesday, August 21, when it will continue on S. 241, long-range shipping bill.

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—ARMED SERVICES

Committee on Appropriations: Continuing hearings on 1952 budget estimates for various branches of the armed services (H. R. 5054), Subcommittee on Armed Services, received testimony from the following officials and officers in justification of 1952 budget estimates for the defense agencies: Deputy Secretary of Defense Robert A. Lovett; Gen. Omar Bradley, Chairman, Joint Chiefs of Staff; Gen. J. Lawton Collins, Army Chief of Staff; Gen. Hoyt Vandenberg, Air Force Chief of Staff; Admiral William M. Fechteler, Chief of Naval Operations; Secretary of Navy Kimball; Secretary of Army Pace; Secretary of Air Force Finletter; W. J. McNeil, Assistant Secretary of Defense; Lyle Garlock, Assistant Comptroller for Secretary of Defense; and the three budget officers for the Defense Department (Maj. Gen. G. H. Decker, Rear Adm. E. W. Clepton, and Lt. Gen. Charles B. Stone). Subcommittee adjourned subject to call.

On Saturday, August 18, in executive session, the subcommittee received testimony in justification of Air

Force budget estimates from various maintenance and operation officers of the Air Force.

TAX REVISION

Committee on Finance: In executive session, committee continued consideration of H. R. 4473, tax-revision bill, but made no announcement of action taken. Committee continues tomorrow.

MUTUAL SECURITY

Committees on Foreign Relations and Armed Services: Committees, in executive session, considered for reporting to the Senate H. R. 5113, to maintain the security and promote the foreign policy and provide for the general welfare of the U. S. by furnishing assistance to friendly nations in the interest of international peace and security, but did not reach any agreement. It did vote to consider the House bill in lieu of S. 1762, the bill on which it held hearings. Committees meet again Wednesday.

OVERTIME COMPENSATION CLAIMS, NOMINATION, AND PRIVATE CLAIMS AND IMMIGRATION BILLS

Committee on the Judiciary: In executive session, committee voted to report without amendment S. 751, conferring jurisdiction on Court of Claims to hear certain basic overtime compensation claims; 5 private claims bills (S. 1713, H. R. 857, 725, 2276), and a resolution to refer 1 to the Court of Claims (H. R. 1580); 30 private immigration bills (S. 519, 575, 617, 669, 906, 954, 1013, 1023, 1277, 1772, 1844, H. R. 581, 608, 627, 644, 970, 982, 1454, 1920, 1971, 2158, 2160, 2179, 2292, 2514, 2787, 3214, 3819, 3823, and 4038); and one original concurrent resolution on deportation referral cases.

The nomination of Joseph Samuel Perry to be a U. S. district judge for the northern district of Illinois was ordered reported favorably.

MARKHAM'S FERRY, OKLAHOMA

Committee on Public Works: The following witnesses appeared before the Subcommittee on Flood Control-Rivers and Harbors, in open hearings, to testify generally in support of S. 272, to provide for the construction of the Markham's Ferry project on the Grand River in Oklahoma: Senator Kerr, accompanied by France Paris, general manager, Q. B. Boydston, general counsel, and W. R. Holoway, chief engineer, all of Vinita, Okla., and representing the Grand River Dam Authority; Floyd Peterson, Chief of Civil Works Branch of Estimates Division, Bureau of the Budget; Commissioner Harrington Wimberly, FPC, accompanied by Francis L. Adams, Chief of Bureau of Power, FPC; Maxwell H. Elliott, General Counsel, GSA; and Col. E. G. Herb, district engineer, Tulsa, Okla. Subcommittee meets again tomorrow.

Daily Digest

HIGHLIGHTS

Senate cleared sugar bill for President, and debated State, Justice, Commerce appropriations bill.

Senate Foreign Relations acted on amendments to mutual security bill.

Reports on Federal and postal employees' pay increases approved by House committee.

Senate

Chamber Action

Routine Proceedings, pages 10704-10706

Bills Introduced: Three bills and two resolutions were introduced, as follows: S. 2039 to S. 2041; S. J. Res. 94; and S. Res. 196.

Pages 10704-10705

Bills Reported: Reports were made as follows:

H. J. Res. 281, authorizing the President to proclaim a special period for intensified voluntary contributions of clothing and kindred supplies in connection with the collection effort of American Relief for Korea, Inc. (S. Rept. 699);

H. R. 4674, private bill (S. Rept. 700); and

S. 355, amending the act reclassifying the salaries of postmasters, officers, and employees of the postal service so as to reduce the number of grades for the various positions under such act, with amendments (S. Rept. 701).

Page 10704

Bills Referred: Thirty House-passed bills were referred to appropriate committees.

Page 10706

Sugar: By 72 yeas to 4 nays, Senate passed without amendment and cleared for President H. R. 4521, to amend and extend the Sugar Act of 1948.

Pages 10707-10726

State, Justice, Commerce Appropriations: Senate began consideration of H. R. 4740, State, Justice, Commerce appropriations for 1952.

Pages 10726-10731

Confirmation: The nomination of Frank C. Nash, of D. C., to be assistant to the Secretary of Defense, Mutual Defense Assistance, was confirmed.

Page 10734

Nominations: Five civilian and four National Guard nominations were received.

Page 10734

Program for Thursday: Senate recessed at 4:49 p. m. until noon Thursday, August 23, when it will continue on H. R. 4740, State, Justice, Commerce appropriations.

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—ARMED SERVICES

Committee on Appropriations: Continuing hearings on 1952 budget estimates for various branches of the armed services (H. R. 5054), Subcommittee on Armed Services received testimony by Brig. Gen. H. C. Parks, Director of Personnel Planning, and Brig. Gen. M. J. Asensio, Director of Budget, both of the Air Force, accompanied by their respective assistants, in justification of budget estimates for the Air Force. Hearings continue tomorrow.

APPROPRIATIONS—SUPPLEMENTAL

Committee on Appropriations: In executive session, Subcommittee on Labor-FSA received testimony from the following witnesses, accompanied by their respective assistants, in justification of supplemental budget estimates for their respective offices in connection with the subcommittee's study of its portion of H. R. 5215, making supplemental appropriations for the fiscal year ending June 30, 1952, as follows: Edward L. Keenan, Deputy Director, Bureau of Employment Security, and Don Larin, Chief, Farm Placement Service, on funds for farm placement program, under Department of Labor; Leo R. Werts, Deputy Executive Director, Defense Manpower Administration, for Defense Manpower Supplemental, under Department of Labor; Earl J. McGrath, Commissioner of Education, in justification of funds for maintenance and operation of schools, under Office of Education; and Harry G. Hanson, FSA, Earl J. McGrath, Commission for Education, Charles G. Lavin, Chief, Public Health Service, Claimant Agency Functions, Ralph C. M. Flynt, Chief, Office of Education, Claimant Agency Functions, Roy L. Harlow, Chief Finance Officer, Public Health Service, and M. A. Stephens, Budget Officer, FSA, in justification of funds for "Defense activities—claimant agency," under the FSA. This concludes the hearings.

NATIONAL CAPITAL PARKS

Committee on the District of Columbia: Subcommittee held hearings on S. 898, to amend the National Capital Park and Planning Commission Act, reorganizing and expanding its authority to extend its jurisdiction over the metropolitan area and adjacent areas, with two witnesses proposing amendments to the bill, and the others opposing it, as follows: Vernon E. West, D. C. Corporation Counsel, and Gen. Bernard Robinson, D. C. Engineer Commissioner, suggested amendments; the following testified in opposition to the bill: John Nolen, National Capital Park and Planning Commission; C. F. Preller, president, Washington Central Labor Union; Frederick Gutheim, chairman, Washington Regional Planning Council; Robert M. Watkins, chairman, Maryland National Capital Park and Planning Commission; Mrs. Hilda Cloud, Washington Housing Association; John B. Duncan, D. C. Federation of Civic Associations; Mrs. Helen Dewey Hoffman, Washington branch, American Association of University Women; and John Graham, Jr., Northern Virginia Planning Commission.

SMALL CLAIMS

Committee on the District of Columbia: Subcommittee on the Judiciary held and concluded hearings on S. 1368, amending act relating to small claims and conciliation branch of D. C. municipal court, with the following witnesses presenting testimony, as follows: Appearing in favor of the bill were: Chief Judge George P. Barse, and Judge Milton Kronheim, Jr., both of D. C. municipal court; Chester G. Booth, Woodward & Lothrop, and Merchants and Manufacturers Association; Alfred Ernest, Ewart's Cafeteria; Paul Lambert, Hogate's Restaurant; Mr. Pendergast, Government Services, Inc.; John Lyle, West Bros. Brick Co. and Washington Building Congress; W. Clark Vernon, A. P. Woodson Co.; Joseph A. Kaufmann, Federation of Citizens Associations; and Allan Fisher, member of D. C. Bar. Those opposed to the bill were: Vernon E. West, D. C. Corporation Counsel; Judges George Nielsen, Frank Myers, and Nadine Gallagher, all of D. C. municipal court; Herman Tocker, committee on relations with municipal court of the D. C. Bar Association; and Alvin J. Steinberg, manager, Capital Credit Corp.

TAX REVISION

Committee on Finance: In executive session, committee continued consideration of H. R. 4473, tax-revision bill, but made no announcement of action taken. Committee continues tomorrow.

MUTUAL SECURITY

Committees on Foreign Relations and Armed Services: In executive session, committees continued consideration for reporting to the Senate H. R. 5113, to maintain the security and promote the foreign policy and provide for the welfare of the U. S. by furnishing assistance to

friendly nations in the interest of international peace and security, taking the following actions:

Adopted, by 19 to 5, Lodge amendment to approve military aid for Europe in the amount of \$5,293,000,000; by 13 to 12, Smith amendment to reduce military aid by 5 percent and economic aid by 30 percent in all titles, below the amount requested by the administration; and by voice vote, Fulbright amendment, which would have the effect of leaving point 4 program in the State Department.

They rejected, by 10 to 14, Connally amendment to cut approximately \$1 billion from the economic aid, and, by voice vote, Flanders amendment to strike out military aid for Latin America.

Committees agreed to a Lodge motion to instruct staff to draft language for an amendment to the bill to put military functions in the Defense Department and Economic functions in the ECA in order to have the proposal before the committee for its consideration tomorrow.

INTERNAL SECURITY

Committee on the Judiciary: Subcommittee on Internal Security, in pursuance of S. Res. 366 of the Eighty-first Congress and S. Res. 7 of the Eighty-second Congress, continued its hearings with Louis Budenz, former Communist, and now professor at Fordham University, testifying as to his knowledge of personnel connected with the Institute of Pacific Relations. Hearings continue tomorrow.

POSTAL SERVICE

Committee on Post Office and Civil Service: Subcommittee on Postal Service held hearings on several bills, with various witnesses testifying, as follows:

On S. 1411, to authorize the Postmaster General to issue duplicate checks without requiring bond when checks of the Post Office Department are lost while in custody of the U. S., the following four witnesses appeared in support of the bill: Senator Flanders; Thomas L. Preston, American Association of Railroads; Thomas G. Walters, Government Employees' Council; and A. E. Martin, Post Office Department.

On S. 1129, to create the position of mail handler in charge in the postal transportation service, the following witnesses favored the bill: Senator Ecton, and Harold McAvoy, National Association of Post Office and Railway Mail Service Mail Handlers. George E. Miller, Bureau of Transportation of the Post Office Department, appeared in opposition to the bill; and E. C. Hallbeck, National Federation of Post Office Clerks, expressed his views on the bill.

On S. 861, to amend act reclassifying salaries of employees of postal service and establishing uniform procedures for computing compensation, with respect to certain employees in the postal transportation service, and S. 874, to amend act reclassifying salaries of employees

claims as authorized by Public Law 455, approved March 10, 1950."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McFARLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Moody
Bennett	Hill	Morse
Benton	Hoey	Mundt
Bicker	Holland	Murray
Butler, Md.	Hunt	Neely
Butler, Nebr.	Ives	Nixon
Byrd	Jenner	O'Connor
Carlson	Johnson, Colo.	O'Mahoney
Case	Johnson, Tex.	Pastore
Chavez	Johnson, S. C.	Robertson
Clements	Kefauver	Russell
Connally	Kerr	Saltonstall
Cordon	Knowland	Schoeppel
Dirksen	Langer	Smathers
Douglas	Lehman	Smith, Maine
Duff	Lodge	Smith, N. C.
Dworschak	Long	Sparkman
Eaton	Magnuson	Stennis
Ellender	Malone	Thye
Ferguson	Martin	Underwood
Flanders	Maybank	Watkins
Frear	McCarran	Welker
Fulbright	McClellan	Wiley
George	McFarland	Williams
Gillette	McKellar	Young
Green	McMahon	
Hayden	Millikin	
Hendrickson		

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Missouri [Mr. HENNING], the Senator from Minnesota [Mr. HUMPHREY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Oklahoma [Mr. MONROE] are absent on official business.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Wisconsin [Mr. MCCARTHY] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Ohio [Mr. TAFT], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART], and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness.

The Senator from New Jersey [Mr. SMITH] is absent because of a death in his family.

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). A quorum is present. The clerk will state the next committee amendment.

The next amendment was, on page 4, in line 1, after the word "abroad", to strike out "and."

Mr. McCARRAN obtained the floor.

VISIT TO THE SENATE OF MEMBERS OF THE JAPANESE DIET

The VICE PRESIDENT. The Chair will ask the Senator from Nevada to suspend for a moment while the Chair presents some distinguished guests, four members of the Japanese Diet, who have done us the honor of visiting the Sen-

ate. They are on a visit to the United States, studying our institutions and becoming acquainted with our people, as well as giving us the benefit of their experience, in a friendly exchange of communications and associations. A number of delegations from the Japanese Diet have visited the Senate during the past few months. We have been very glad to welcome them. We hope that their association with us in their visits to this country will be mutually beneficial to the Japanese people and the American people.

Until the recent unpleasantness the relationship between the Japanese and American Governments and between the Japanese and American people was one of a long season of peace, cooperation, and understanding. We are happy in the belief that out of the recent unfortunate conflict a new era of peace between Japan and the United States will be ushered in. We are very proud of the fact that in a few weeks a treaty of peace will be signed between the Japanese Government and the Government of the United States, which will restore that status of peace. We look forward, following the signing of the treaty, to a long season of peaceful and cooperative relationship between the Japanese people and the people of the United States.

There is not now, nor has there ever been, any real fundamental reason why there should be conflict between the ambitions, political, economic, or social, of the Japanese people and the American people. Therefore, we are very glad to welcome to the Chamber men and women, representatives of the Japanese people, who are seeking in a genuine way to make some contribution to the restoration of the happy and peaceful relationships which have for so long a time existed between their country and ours.

So, it is a pleasure for me, as President of the Senate, to welcome you gentlemen, who are members of the Japanese Diet. I believe that three of you are members of the Japanese House of Representatives, and one is a member of the House of Councillors, which corresponds to our Senate.

We hope your stay here has been and will continue to be pleasant and profitable, and that you will take back with you valuable lessons for your people in the future, and that you will leave with us valuable lessons also, which will contribute to the peaceful era for which we hope and pray in the years to come.

[Applause. Senators and occupants of the galleries rising.]

The VICE PRESIDENT. The Chair is advised, and is happy to report the fact, that one of the members of the delegation, Mr. Kosaka, desires to make a brief response to the welcome which we are giving them; and the Chair is happy to recognize Mr. Kosaka. He may speak from where he now stands, or he may come to the rostrum, if he wishes.

The Chair will declare a brief recess while the Japanese delegate speaks; and we shall resume the session thereafter.

Thereup (at 12 o'clock and 31 minutes p.m.) the Senate took a recess, subject to the call of the Chair.

During the recess:

The Hon. Tentaro Kosaka, member of the Japanese House of Representatives, came to the rostrum, and delivered the following address:

ADDRESS BY HON. TENTARO KOSAKA, A MEMBER OF THE JAPANESE HOUSE OF REPRESENTATIVES

Mr. KOSAKA. Mr. President, honorable Members of the United States Senate, it is my great honor to be given this rare opportunity to speak on this honorable occasion on behalf of the delegation of the Japanese Diet. As the representative of the Japanese people, I can say with authority that the appreciation of the Japanese people toward the people of the United States of America is immeasurable. The great American people did not make us taste the bitter bread of defeat. Instead, you chose to give us a new life—a life of freedom and aspirations. We are endeavoring to build a Japan in which democracy is vivid in action. We Diet members are working to further enhance our new democratic life, which you have so carefully nursed in the past six years. Thanks to you, we have learned the meaning of being on the side of free nations.

Besides the ideological contribution, you have helped both economically and morally to help bring our devastated country back on its feet again. It was indeed a blessing in disguise that we were under the American occupation.

If it were not for American leadership, Japan would never have been given the peace treaty, a treaty based on reconciliation and dignity on an equal footing. Only the American Nation could conceive of giving the defeated Japanese nation such a magnanimous and generous treaty.

Although there are many obstacles in the way of our economic rehabilitation, we will make every effort to reconstruct the Japanese economy and to contribute our part toward world economy.

In conclusion, I do not think it is an exaggeration to say that the Japanese nation, in order to show its sincere appreciation for what you have done for us, is determined to make democracy stay in Japan forever, and will leave no stone unturned to live up to the expectations of the United States of America and the other free Nations.

I thank you.

[Applause. Members of the Senate and occupants of the galleries rising.]

The VICE PRESIDENT. The Chair and the Senate appreciate the very gracious remarks of Mr. Kosaka. Inasmuch as three of the members of the delegation are members of the Budget Committee of the Japanese House of Representatives, in Tokyo, and inasmuch as we now have before us an appropriation bill for the State Department, the Justice Department, and the Commerce Department, the members of the delegation are at liberty to remain in the Chamber as long as they wish, to see how we economize, here in the United States Senate, in connection with the appropriation of money for the benefit of the people. We shall be glad to have

them remain here, and they will be welcome as long as they may wish to stay.

The Chair gives to the clerk the names of the distinguished members of the delegation, who are our guests today, so their names may appear in the RECORD.

The names of the members of the delegation from the Japanese Diet are as follows:

Yosio Sakuraiti, Member of the House of Councillors, Tokyo, Japan.

Tentaro Kosaka, Member of the House of Representatives and chairman of the Budget Committee, Tokyo, Japan.

Naoji Tachibana, Member of the House of Representatives, and member of the Budget Committee, Tokyo, Japan.

Ichitaro Ide, Member of the House of Representatives, Tokyo, Japan.

At 12 o'clock and 35 minutes p. m. the Senate reassembled, when called to order by the Vice President.

STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATIONS, 1952

The Senate resumed the consideration of the bill (H. R. 4740) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary for the fiscal year ending June 30, 1952, and for other purposes.

The VICE PRESIDENT. The Senator from Nevada [Mr. McCARRAN] has the floor.

Mr. DIRKSEN rose.

Mr. McCARRAN, Mr. President, I understand the Senator from Illinois wishes to address the Senate. I yield the floor to the Senator from Illinois.

The VICE PRESIDENT. The Senator from Illinois is recognized.

MORE AFFIRMATIVE PEACE EFFORT IN STATE DEPARTMENT

Mr. DIRKSEN. Mr. President, a good many years ago I addressed a letter to the then Secretary of State, the Honorable Cordell Hull, of Tennessee. I became interested, as far back as 1933 and 1934, in a more affirmative peace effort in the Department of State. At that time, I thought, and I believe others shared the opinion, that it might be well to create within the Department of State a division which would address itself very affirmatively to the question of peace. As a matter of fact, the resolution which I proposed in the Seventy-third Congress was so drafted that it would give extraordinary authority to such a division, weaponed with the necessary money and instrumentalities of publicity, authorizing it to depart from any administrative policy, and to do very much as it pleased, for the purpose of effectuating in the mind of the country and carrying on what I thought was a peace crusade designed to develop a peace consciousness in the United States.

I received a very gracious and rather extended letter from that fine old gentleman, Cordell Hull, at that time, and I think I still have it in my files. It has intrigued me a great deal. He said he did not think it practical to establish a peace division within the Department of State, because such action might be misconstrued by foreign countries, who might get the idea that the State Department, in its entire performance and in its objectives, might have only one seg-

ment which was devoted to the peace effort. I think there was merit in the observations which were made by the then Secretary of State, but, as I survey the horizons of the world today, I still feel that we might have embraced, even in those early days, some instrument which could have done a better job than has since been done, so far as the country and its thinking are concerned.

I think back to it often, and I think back to it this morning, as I examine the rather distressing and disturbing headline which confronts us all over again. God forbid that we have an augmented casualty list in Korea, that fighting on even a larger scale may break out, and that young men may again have to surrender their lives upon the altar of their country, on a battlefield that is so far from home. The headline seems most pointed to me this morning, because only yesterday afternoon I was called out into the Senate reception room, where I visited for a while with a group of amputees, who are here for the purpose of expediting action upon a pending bill which would provide specially designed automobiles for those who are minus either hands or legs. One of the boys sitting in the reception room yesterday afternoon was minus both arms and legs. That is a tremendous sacrifice to make. I am sure the sacrifice was made willingly; and I have certainly been entranced by the good will, by the spirit, and by the alertness with which they carry on under such distressing circumstances and such trying hardships.

Mr. MORSE. Mr. President—

Mr. DIRKSEN. Mr. President, I ask unanimous consent that I may yield to the Senator from Oregon for 10 minutes, in view of the fact that he has an engagement which he must keep immediately thereafter.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Oregon is recognized for 10 minutes.

INFRINGEMENT ON THE POWERS OF THE PRESIDENT PROPOSED BY H. R. 5113

Mr. MORSE. Mr. President, I thank the Senator from Illinois for his courtesy in yielding this time to me. I speak under a slight handicap today, but I want to assure my colleagues that in the course of a month I will stand ready and willing by that time to take bets that the first major speech I make on the floor of the Senate with new dentures, I shall make without a whistle; and I will take those bets after this speech this afternoon.

I would be much less than human, Mr. President, did I not, here on the floor, express to my many colleagues my sincere and deep appreciation for the many courtesies and wishes of good will which they have extended to me since my recent accident. However, the accident has given me an opportunity to catch up on some long-needed reading and study of certain of the problems which face our country in the field of foreign relations, and I desire to take 5 or 6 minutes this afternoon to express myself, for the RECORD, in regard to the approaching debate on the military and foreign-aid bill which will soon face the Senate; because

I regard it as a measure of great significance, so far as the attitude of our country is concerned, a measure which I consider ought to be approached from a purely nonpartisan point of view, and in the consideration of which we should not overlook certain basic constitutional principles which I desire to emphasize in my brief remarks this afternoon.

The Senate of the United States will be called upon very soon to consider a bill to help friendly countries all over the world. In the interest of their security and our security, we are asked to spend a very large sum of money for military assistance and economic and technical assistance, so that they and we will be better able to meet a very grave threat to the peace of the world. The immediate aim of our foreign policy is to check the threat with which we have been confronted by aggressive Soviet imperialism.

I should like to say a word in these brief remarks today as to the manner in which, in my opinion, we ought to provide for the carrying out of this highly important foreign-aid program, because I am very much concerned that we should not make a serious constitutional mistake. The bill we have to consider is one which lumps together economic aid, military assistance, technical assistance for underdeveloped parts of the world, aid to Palestine refugees, the rehabilitation of Korea, and other projects.

As a member of the Armed Services Committee, Mr. President, it has been my judgment, since the beginning of our consideration of this issue, that it has been a great mistake to draw what I submit is a very artificial line between military aid and economic aid. I think it is a great mistake to take the position that we should cut into economic aid, but that we should not, for a moment, think of cutting into military aid, as the bill is presently framed.

It happens to be the position of the junior Senator from Oregon that there should be no cuts in either military or economic aid; but the artificial line of distinction between military and military aid is, I think, a highly fallacious one, because, in the long run, the basic security of the United States in its relations with friendly foreign powers is going to depend upon the productive power of those friendly nations, and upon their economic strength.

In the interest of brevity, I shall cite but one example to show why I believe it a mistake to draw this artificial line of distinction between so-called military aid and economic aid. I fully appreciate the fact that if a war with Russia should break out in Europe within the next few months, it is of the utmost importance that we have on the Continent of Europe a maximum amount of military power with which to meet an aggressive force.

But, Mr. President, we must also plan for the long pull, and the long pull, so far as our defenses in Europe are concerned, calls for the building up of the economic and productive power of the free nations of Europe. I happen to be one of those who believe that it is probably true that the money we spend for economic aid in Europe in the year or two immediately ahead will be money which will be more

productive of stronger defense for America in Europe than will the money we spend immediately for military equipment and military aid in Europe.

Take, for example, a hypothetical case, the question of building a plant in France for the production of either airplanes or tanks or army trucks, or any other type of military equipment. Under the artificial distinction which is drawn in the bill between military and economic aid, the building of such a plant would be listed as economic aid. I think it is perfectly clear that the building of a plant of that type for the production, in principle by the French themselves, of the sinews of war, would in the long run mean much more to the defense of America in Europe than would our supplying France now with the sinews of war in the form of airplanes, tanks, and other equipment of war manufactured in the United States.

Therefore, Mr. President, I would have my colleagues in the Senate keep in mind the fact that when we consider the military and economic aid programs we cannot separate military and economic aid, and that they are inseparable, because dollars spent for the strengthening of the economic productive forces of our Allies in Europe is money spent for the defense of America in Europe, because we Americans had better face the fact that the principles we underlined when we approved the North Atlantic Pact still stand. We are in it together, and an attack by Russia upon one of our Allies would be an attack upon us, and would lead us immediately into a war with Russia. Therefore I think it is in the interest of the defense of America that we help to strengthen the economic productive forces of our Allies in Europe, and not follow the artificial line of distinction between military and economic aid.

Obviously, the Secretary of Defense has a very great responsibility in carrying out the military assistance features of the bill. The Secretary and the Joint Chiefs of Staff are responsible for the planning of our defenses at home and abroad. They determine how much equipment they and our Allies need in order to accomplish our defense objective. They must see to it that the equipment procured for ourselves and our friends abroad will fit the forces they raise and will fit into our defense plans. These responsibilities cannot and should not be taken away from them. Yet the bill passed by the House took away from the President the power to delegate responsibility under the foreign aid bill to the Secretary of Defense, and gives the military responsibilities for mutual security to a civilian administrator.

Section 503 does, of course, provide that if the Secretary of Defense thinks the Administrator is taking action "inconsistent with the military security objectives of the United States" he may go to the President for a final decision. But this is a very cumbersome method to follow when it is the Secretary of Defense who ought to have the basic responsibility for carrying out the military security objectives. The most important part of the bill, as I understand

it and see it, is directed to carrying out "military security objectives."

The same mistake is made with respect to the Secretary of State, who is supposed to carry out our foreign-policy objectives, and yet can only make the same kind of negative review of the actions of the Administrator. The Secretary of State cannot participate, except in this negative way, in the formulation of many decisions involved in carrying forward this enormous program of foreign aid, as, for example, the decision as to which nations are to be given assistance, the kind and amount of assistance, the timing of the assistance, and so forth.

It is perfectly clear to me that we desperately need a sound administrative set-up if the program of foreign aid is to be successful. We need to have a central management and direction for this program so that the left hand will know what the right hand is doing. We cannot lose time and frustrate the aims of the program because of disagreements over policy. But if we will follow the Constitution of the United States, we shall not go wrong. It is up to Congress to write the law, and to appropriate the money needed to carry it out. Then it is up to the President to execute the law. The Congress cannot and should not go into the details of the day-to-day operation of this proposed law, because the people of the United States elected a President to do that. This is even truer in the field of foreign relations than in any other field.

Speaking of the powers of the President over foreign relations, the Supreme Court said in the *Curtiss-Wright* case:

In this vast external realm, with its important, complicated, delicate, and manifold problems, the President alone has the power to speak or listen as a representative of the Nation.

I say we are departing from the traditions of our Government and the precepts of the Constitution when we try to give to a man other than the President powers which do not belong to anyone except the President.

Yet, for reasons which baffle me completely, the other body struck from the bill as they passed it an authorization to the President to reserve such powers under the act as he may wish to exercise himself or delegate to the Secretary of Defense. This action is in the teeth of the spirit and intent of the Constitution itself. Moreover, it suggests that a man appointed by the President is somehow going to be able to exercise powers and take action when the President does not wish him to do so. As a practical matter, no administrator who did so could hold his job.

I submit, Mr. President, that if we follow the language of the House bill, create a new agency independent of any other, and of Cabinet status, as is proposed, we will set up another fertile field of jurisdictional disputes within the Government. We already have too many overlapping agencies. We already have created too many unnecessary bureaus entailing wasteful cost on the taxpayers of the country,

As I try to figure out why the House proposed such a program, and as I observe that some of my colleagues in this body seem to be persuaded to that side of the argument, it occurs to me that probably one of the things that is gnawing in their thinking is the fact that they do not like certain personnel now entrusted with the administration of the foreign policies of our country. They may not have confidence in the Chief Executive himself. But I submit, Mr. President, that if the objection is one which goes to personnel, it does not justify one in sacrificing what I think is a sound constitutional principle for the administration of the foreign policy of this land. Under the Constitution, that principle clearly calls for a delegation of the power of the President of the United States and for the administration of the duties consonant with that power through the State Department, and through other officials of the Government to whom the President, in his executive capacity, delegates administrative power.

So, Mr. President, once again, as on other occasions during this session of the Congress, the junior Senator from Oregon finds himself confronted with the rule of checks and balances of the Constitution, and he would submit to his colleagues that in terms of history we shall make a mistake if we follow a course of action because of our dislike for personnel in adopting a principle represented by the creation of an independent agency of Cabinet rank to administer military and foreign aid.

Mr. President, in my view, we ought to leave the responsibility for the execution of our foreign-aid program where the Constitution placed that responsibility. The people look to the President to execute and carry out the laws of the land. They will judge him at the polls if he does not do a good job. But the Congress should not try to spell out for him the way he should perform the work the people elected him to do and which the Constitution clearly delegates to him both in its spirit and its intent.

Mr. President, I ask unanimous consent, without reading them, to have inserted in the Record at this point, as a part of my remarks, certain excerpts from the Hoover Commission Report on Foreign Affairs, which I recommend for reading to my colleagues on both sides of the aisle. I am convinced that on this side of the aisle the citations of the great ex-President Herbert Hoover will not be amiss. If one will read the report of the Hoover Commission and its references to the problems of our administering our foreign policy, I think he will not only come to the conclusion that that Commission was sound in its recommendations and conclusions, but he also will have to agree that the junior Senator from Oregon is correct today when he suggests to the Senate that we not because of dislike for personnel interfere with what I think is a precious constitutional principle of separation of powers in regard to the administration of foreign affairs, and that we should, when we come to consider the foreign economic and military aid bill, follow the sugges-

tions of the Hoover Commission as set forth in the excerpts which I now ask unanimous consent to have inserted in the Record at this point. The excerpts are materials appearing on pages 10, 11, 12, and the first half of page 13; on pages 17, 18, 19, 20, and 21; and a part of the recommendations of the Commission starting on page 23 and running through to page 37.

I say, Mr. President, that I believe a reading of this excellent discussion by the Hoover Commission of the administrative policies which ought to control in administering the foreign affairs of the United States will cause some of my colleagues in the Senate to join with me in my conclusion that any proposal which seeks to create an independent agency of Cabinet rank for the administration of economic and military aid under the bill soon to be before the Senate is a mistake. It certainly would again create a situation in which we would have competing voices in foreign countries speaking for American foreign policy, and I think it would greatly weaken the position of our Ambassadors and our embassies in every country in which the economic and military aid program is to be administered. I sincerely hope and trust that upon careful study and due reflection my colleagues in the Senate of the United States will not follow the proposal as it passed the House.

There being no objection, the excerpts from the Hoover report on foreign affairs was ordered to be printed in the Record, as follows:

II. THE COMPLEXITIES OF THE PRESENT SITUATION

1. THE PRESIDENCY

The President, as the single member of the executive branch answerable to the electorate, is ultimately responsible to the American people for the formulation, execution, and coordination of foreign policies. The emphasis is on "ultimately," because the President, either personally or institutionally, can attempt to control only the very top and crucial problems of foreign policy formulation, execution, and coordination.

Today the authority of the President over the foreign affairs activities of the executive branch is seriously hampered by both legal and practical impediments. The legislative creation of new agencies and specific coordinative bodies with foreign affairs powers, the existence of independent regulatory agencies with executive functions, and the grant of foreign affairs authority and funds to bureaus and offices below the level of the department or agency head, all serve to lessen the efficiency of the executive branch as a whole. Likewise these factors detract from the President's ability to correct administrative weaknesses. They lessen the capabilities of the departments and agencies to provide self-coordination and correspondingly throw a greater burden on the executive office of the President. They also prevent the establishment of a direct and effective chain of command from the Chief Executive down through the numerous segments of the executive branch.

The Presidency, furthermore, is only casually organized to furnish staff assistance to the President in the conduct of foreign affairs. Better machinery is badly needed to bring competent and better rounded foreign affairs advice to the President and to force prompt resolution of interdepartmental disputes which, if left unsettled at lower levels, may impair the foreign relations of the

United States. The Cabinet, moreover, it must be recognized, is not and cannot become an effective deliberative council of advisers to the President.

2. THE RELATIONSHIP OF THE STATE DEPARTMENT TO OTHER DEPARTMENTS AND AGENCIES

Active participation of the departments and agencies other than the State Department in all phases of present-day foreign affairs imposes severe strains on the organizational structure of the Government. These other departments and agencies display an increasing tendency to establish policies or to make policy interpretations which are not coordinated with the foreign policies and interpretations of the State Department. The State Department, in turn, does not always coordinate its policies with over-all United States national policies. With the conduct of foreign affairs no longer the exclusive province of the State Department, coordinated action by the State Department and some 45 other units with foreign affairs activities is a *sine qua non* for efficient and effective dispatch of business. Until such action is achieved, the line of command and supervision from the President down through the department heads to subordinate levels will remain unclear, indecisive, and ineffective.

This new situation in the foreign-affairs field does not mean, however, that the State Department has become just another executive department. Its statutory authority, basically unchanged since 1793, definitely fixes its role as a staff specialist and arm of the President in the conduct of foreign affairs and leaves its duties flexible and elastic. The other departments and agencies, in contrast, derive their foreign-affairs authority through direct grants from the Congress which spell out the substantive tasks to be accomplished, usually in considerable detail. In essence, the State Department functions can be described as relating to the means or procedures of conducting foreign relations, where as the organic statutes of the other departments and agencies pertain more to substantive matters, e. g., powers over fissionable materials, loans, communications, aviation, exports, imports, and the like. Coordination of all these varied activities obviously cannot be directed from the Presidential level. A large part must be delegated by the President to the State Department as his staff agency.

On certain crucial issues, however, coordination of foreign policy formulation and execution must come from the President or his Executive Office. To date the principal response to this need for high-level integration has been the development of specialized interdepartmental bodies at the Cabinet level to advise the President on certain aspects of foreign affairs, such as national security and international finance. The absence of similar mechanisms in other important areas, particularly where foreign affairs touch upon domestic affairs, tends to give the President a partial and limited perspective in reaching decisions and to leave a substantial amount of policy execution to be coordinated on a hit-or-miss basis.

A final complicating factor in present-day governmental organization for the conduct of foreign affairs is the looseness and variation in organization of foreign-affairs activities in the other departments and agencies. Some important departments have more than one bureau or office involved in foreign affairs but have no mechanism whereby the department head is able to coordinate the international activities of his own department. This results not only in confusion within a particular department but also places an added administrative burden upon the State Department which must seek not only to coordinate interdepartmental activity but activity within another department as well. Thus once again an

important requirement of clear power of command and a clear chain of command is reemphasized.

III. ORGANIZATIONAL CONCEPTS

The conduct of foreign affairs today involves almost the entire executive branch—the President, the President's Executive offices, the State Department, numerous other departments and agencies, and intricate interdepartmental machinery. In addition, it involves constant cooperation between the executive branch and the Congress. As a consequence the problems of organization are equally Government-wide in scope, and organization reforms must be based on definite concepts of the part to be played by each segment of the Government.

The concepts for organization within the executive branch are, in summary, the following:

1. The decisions within the executive branch on the objectives of the United States in world affairs are ultimately decisions for the President only to make. He may, of course, delegate this power, but, as the sole elected member of the executive branch, he cannot divest himself of his final responsibility. When the President does delegate the power to make decisions, it must be recognized that it is impractical to make a blanket delegation to the State Department alone or to any other single department or agency.

2. The executive responsibility for the formulation and carrying out of foreign policies to achieve objectives is today that of the President with staff assistance from his executive office and the State Department. Under the President this responsibility is shared in various degrees by numerous departments and agencies throughout the executive establishment.

3. The responsibility for coordinating all the foreign affairs activities of the State Department and the other departments and agencies, whether in the decision-making process or in the processes of policy formulation and execution, ultimately is also that of the President. In delegating this responsibility the President may turn to the State Department, which is the specialist in foreign affairs, as, for example, to provide chairmen for interdepartmental committees, or he may turn elsewhere, depending on the balance of foreign and domestic implications in a particular problem.

4. The conduct of foreign affairs today involves the use of many means and instruments. Financial assistance, force or potential force, and propaganda are a few of the major ones. The utilization of these instruments similarly involves the performance of numerous supporting functions. A few examples are collection of information, evaluation of information through analysis and research, dissemination of information, employment of personnel, disbursement of funds, making of contracts, issuance of rules and regulations, and drafting of legislation.

5. The responsibility today for a decision as to which of several instruments to employ in the conduct of foreign affairs, together with the accompanying decisions as to when to employ them and as to the purposes to be accomplished thereby, carries with it two additional responsibilities. The first is for coordination throughout the executive branch in the choice of the instrument, the time of its use, and the purposes to be accomplished thereby. The second is for loyal teamwork between the State Department and the other departments and agencies instead of the evasion and backbiting that characterized these relationships during the recent war.

It is essential to recognize that in the discharge of this multifold responsibility, two different segments of the executive branch may perform functions which appear similar, but there should not and need not be

duplication in the performance of identical functions in two parts of the Government. For example, if it is deemed to be of advantage to the United States that a democratic rather than a communistic government be in power in a foreign country, it may be found desirable to employ many instruments, including those of public information or propaganda, financial assistance, or other aids against outside interference. The medium of information may be in the State Department, the financial assistance instrument in the Economic Cooperation Administration, the Export-Import Bank and elsewhere, and other instruments may be in other branches of the Government.

All of these instruments, for example, involve the function of research and analysis of information. The State Department's research and analysis would relate to the state of public opinion of the country in question and the factors influential in forming public opinion; the Economic Cooperation Administration's research and analysis would be directed to the economic condition of the foreign country and the balance of international trade; and the Military Establishment's research and analysis would pertain to the status of Communist military power on the borders of the country in question and the strategic disposition of United States forces in occupied areas nearby to strengthen the democratic elements in power in the country in question. Yet the performance of these functions involves no inevitable duplication of effort. For example, no duplication would occur in the case of financial assistance so long as the State Department economic and research units do not go over the same economic ground as those of Economic Cooperation Administration.

6. The effective discharge of the executive responsibilities in the conduct of foreign affairs—including the formulation of policies, employment of instruments to carry out policies, and coordination in both the formulation and execution stages—requires that authority be vested in the President and descend from him through a clear line of command to responsible department and agency heads with subordinate authority over cohesive executive agencies.

7. Decisions as to the conduct of foreign affairs today inevitably are decisions affecting our whole political, economic, and social life. The problem of organization for the conduct of foreign affairs is, therefore, but a segment of the larger problem of organization for the conduct of national affairs. Hence, governmental organization for the conduct of foreign affairs cannot be treated as a separate mechanism but must be regarded as an integral part of a larger mechanism.

These general concepts provide the foundation for the recommendations which follow. In some measure these recommendations are geared to the immediate future. Times change, however, and organizational forms must be adjusted accordingly. Organization cannot be immutable and the recommendations herein cannot be regarded as having indefinite validity.

IV. RECOMMENDATIONS

The recommendations which follow are essentially recommendations of principles. Neither this report, nor that of the supporting task force, purports to be a complete blueprint covering the many possible applications of these principles. Certain specific suggestions for organizational changes in the State Department will, of course, be set forth, but the details of these reforms will generally have to be worked out by the men in charge of the various organizational segments.

A. RECOMMENDATIONS CONCERNING THE CONGRESS

Recommendation No. 1

Legislation which grants new foreign affairs powers of an executive nature otherwise than to the President or to an established executive department or agency will normally cause serious difficulty in efficient administration. Such legislation should not be adopted unless there are overwhelming advantages in creating a new agency.

Each time the Congress creates a new agency with the power to employ a specified instrument of foreign policy, it weakens the executive establishment as a whole. Jurisdictional conflicts are immediately set in motion which increase the possibility of duplication and the burden of coordination. The latter is already so heavy on the President that many problems of coordination must be left untouched.

By giving the new powers to the President, the Congress would strengthen his executive power to integrate this new authority with already existing authority. By giving it to an existing department or agency, the burden of coordination would be transferred in large measure from the President to the head of the department or agency. Particular care, moreover, should be taken not to confer executive powers on independent commissions which are not responsible to the President. While the creation of independent bodies to discharge quasi-judicial and quasi-legislative functions will always be necessary, the grant to them of executive powers is contrary to the principles of sound organization and impedes the efficient conduct of foreign affairs.

Recommendation No. 2

Effective administration is not achieved by establishing by legislation the precise functions and membership of coordinating and advisory bodies within the executive branch.

The recent legislative practice of establishing interdepartmental bodies with defined responsibilities over foreign affairs—e. g., National Security Council or National Advisory Council—tends to obscure the responsibility for making executive decisions, to make each of the bodies acquire the aspects of a new agency, and to encourage other interdepartmental groups to seek formal congressional sanction. All of these tendencies add up to weakening the power of the Chief Executive, a circumstance which in turn reduces his responsibility and complicates the administration of the executive branch. Such legislation does not assure better coordination in the executive branch, nor can it require the President to use the advice received. The Congress can, however, facilitate executive creation of coordinating and advisory bodies by enactment of general enabling legislation which will provide a flexible framework within which the President can act.

Recommendation No. 3

Legislation making specific grants of foreign affairs powers and of supporting funds below the level of the appropriate department or agency head should be avoided.

In the past the Congress on occasion has granted specific power and appropriated specific funds below the department or agency head level, as in the cases of the foreign affairs activities of the Civil Aeronautics Administration and the Bureau of Labor Statistics. This practice tends to free the grantee from executive control and encourages him to establish independent channels of communication with the Congress. It aggravates the problem of coordinating foreign relations activities both within individual departments and agencies and between different units of the executive branch.

The practice of appropriating funds directly to a constituent unit of a department or agency further limits the ability of the department or agency head to adjust the foreign affairs programs of his several bureaus or offices to meet changing international conditions and to reduce internal overlapping or duplication of effort.

B. RECOMMENDATIONS CONCERNING THE PRESIDENT

Recommendation No. 4

Cabinet-level committees, with their memberships and assignments fixed by the President, are necessary in crucial areas in the conduct of foreign affairs where the issues transcend the responsibility of any single department and where Presidential consideration or decision is necessary.

The foreign affairs requirements are but a part of the national requirements of the United States. In the formulation, execution, and coordination of the policies to meet these requirements the ultimate responsibility lies with the President. In the main this process takes place at the department and agency level, but on certain crucial problems Presidential consideration and often Presidential decision will be necessary.

In our first report, Part Two, the Executive Office of the President, attention is called to the desirability of the establishment of Cabinet-level national policy committees to advise the President in the instances where his consideration or decision is necessary. These committees, on a regular or ad hoc basis as required, will serve as a systematic means of providing the President with balanced advice on the critical international problems of the day which transcend the responsibilities of the State Department or any other single department.

Likewise, as recommended in our first report, the President should be free to select the membership of the Cabinet-level committees dealing with foreign affairs and to determine their assignments and the scope of their authority. Since the President cannot be compelled to follow, or even listen to the advice of any particular body, no attempt should be made to legislate specifically on this subject. Instead, general enabling legislation should provide a flexible framework within which the President may act.

The need for Cabinet-level committees on the conduct of foreign affairs, as emphasized above, exists only where Presidential consideration or decision is required on matters transcending the responsibilities of a single department. In a great number of foreign affairs matters this requirement will not be present. The Cabinet-level committees should not, therefore, supplant the State Department as a staff arm of the President, and the State Department in this role should be the major coordinating force within the executive branch on foreign affairs matters. Likewise the Cabinet-level committee device must be carefully controlled so that the committees confine themselves to producing integrated advice to the President and do not become additional foreign affairs agencies in the executive branch which themselves have to be coordinated.

Recommendation No. 5

The successful functioning of Cabinet-level and other interdepartmental committees in the foreign affairs area should be facilitated by the assistance of specific institutional aids in the Executive Office and the State Department.

The Cabinet-level and interdepartmental committees cannot function successfully without specific institutional aids. The staff secretary to the President, whose appointment is recommended in our report, General Management of the Executive Branch, should keep the President advised of policy issues

being considered by the principal Cabinet-level committees, and of any overlapping of assignments or conflicts which may exist. Each permanent or semipermanent Cabinet-level committee, moreover, such as the present National Security Council and National Advisory Council, will ordinarily require a full-time executive secretary, and a small nucleus of staff supplemented by additional staff drawn from the regular policy units of the departments and agencies participating in the work of the various committees. By this means the essential secretariat service and staff work will be furnished. Through these institutional aids coordination of high-level foreign affairs matters should be greatly facilitated and, indeed, the issues for Presidential consideration should be so narrowed as to relieve the President in practice of what would otherwise be a heavy burden.

Similarly, staff and secretariat assistance should be provided for interdepartmental committees below the Cabinet level. In most instances this assistance should be provided by the State Department, which at present is doing considerable work of this kind. In special cases, however, other departments or agencies may furnish these aids. The activities of these interdepartmental committees should also be subject to scrutiny by the President's staff secretary.

C. RECOMMENDATIONS RELATING TO THE STATE DEPARTMENT AND THE FOREIGN SERVICE

These recommendations, based on the organizational concepts previously set forth, fall into two general categories. First, general recommendations defining the role of the State Department in the conduct of foreign affairs and, second, specific recommendations of internal organizational reforms.

Recommendation No. 6

The State Department should concentrate on obtaining definition of proposed objectives for the United States in foreign affairs, on formulating proposed policies in conjunction with other departments and agencies to achieve those objectives, and on recommending the choice and timing of the use of various instruments to carry out foreign policies so formulated.

The ultimate responsibility within the executive branch in the determination of United States objectives and in formulating, executing, and coordinating foreign policies lies with the President. Under him, the State Department is cast in the role of the staff specialist in foreign affairs, and, pursuant to Presidential delegation, its role will involve leadership in defining and developing United States foreign policies, in determining the means and timing of their accomplishment through employment of the available instruments, in the recording of such policies, and in seeing to it that such policies are explained at home and abroad. These responsibilities necessarily will mean that, except for coordination in crucial areas where Cabinet-level committees are involved, the State Department will be the focal point for coordination of foreign affairs activities throughout the Government.

The State Department is not, however, the sole unit of the executive branch for determination of the objectives of the United States in world affairs or for formulating and executing foreign policies to achieve those objectives. Many other governmental departments and agencies, by reason of the present-day blending of the domestic and foreign aspects of national problems and by reason of operations abroad, are sources of policy considerations in the conduct of foreign affairs. The State Department should consult with and advise these other departments and agencies for the purpose of bringing their experience to bear in the formulation of foreign policies and of assisting them in administering particular instruments of foreign policy so as to achieve desired objectives in a consistent manner.

The agency charged with responsibility for action should not, however, be required to obtain the concurrence of other agencies prior to taking action.

It is sound to adopt the principle that the department or agency with the power to exercise an instrument of foreign policy should be looked to, and relied upon, by the State Department to gather the necessary facts within the special competence of the particular department or agency on a world-wide basis; to evaluate those facts; to propose policies or programs within its power to execute; and to execute the programs agreed upon in accordance with established policy. These other departments and agencies must be organized internally so as to be able to meet the State Department's requests promptly and, if they are still unable to render these services adequately, the President should take measures to insure the correction of their shortcomings. The State Department then would be free to concentrate on coordination within the executive branch, particularly on seeing that conflicts are resolved, making sure for the President that other departments and agencies do not, as in the past, slide out of their responsibilities, and exercising general guidance so that all the Government's foreign affairs activities are conducted in consonance.

In this manner, the State Department will be able to discontinue the bulk of the specialized functions it has recently been, or now is, performing in the fields of foodstuffs, petroleum and other fuels, aviation, shipping, labor, welfare, and the like. It will, however, have to retain a small group of specialists in these fields as expert advisers and as the focal point for consultation and coordination with other agencies. Furthermore, insofar as certain other departments and agencies are oriented to act only in terms of domestic interests and pressures, the State Department on occasion may still have to assume more positive leadership, but it should do so only after the particular failure has been brought to the Chief Executive's attention.

Recommendation No. 7

The State Department as a general rule should not be given responsibility for the operation of specific programs, whether overseas or at home.

This proposition as a general rule is desirable. Difficulties in application, however, exist, especially in that the sudden thrusting on the executive branch of responsibility for new world-wide programs found it with little or nothing in the way of machinery to carry out such programs. As a consequence the State Department has had to assume responsibility for activities such as liquidation of surplus property abroad, the foreign information program, and the educational exchange program.

The recent creation of the Economic Cooperation Administration to handle the economic assistance program in Europe and in the Far East prevented the placing of this additional program burden on the State Department. In this instance the advantages in creating a new agency appear to have been overwhelming and the solution is in accord with the principle of this recommendation.

The Government's responsibilities for occupied areas in Germany, Austria, and the Far East are divided,¹ with the State Depart-

ment being assigned responsibility for formulation of policy and the Army Department for execution and administration of policy. From the outset, serious frictions have existed in this arrangement. The basic difficulty has been the uncertainty and delay in the preparation and enunciation of policy and the consequent tendency of the administrative agency, through its daily decisions, to make its own policy. Other factors have been the attempt to handle occupied-area problems below the secretariat level, without clear definition of responsibility and without clear channels for the transmission of policy guidance from the State Department to the theater commanders.

The transfer of responsibility for the civil or nonmilitary aspects of administration of occupied areas from the Army Department to the State Department, leaving the garrison or other military functions to the Army Department, has been under frequent consideration during recent years. In the instant recommendation, it is proposed that the State Department not undertake operational programs unless unusual circumstances exist. The present circumstances do not appear to be sufficiently unusual to call for an assumption of occupied areas responsibility by the State Department.

The machinery for administration of occupied areas, as well as that of logistical support, is presently supplied by the Military Establishment. It is wholly consistent with the concepts underlying this report that this administrative machinery be located outside the State Department, as, for example, in the Military Establishment or in a new administration of overseas affairs, but that it receive its instructions from and report to, the Secretary of State. Thus a direct channel of communication would exist between the theater commanders, as high commissioners or otherwise, and the Secretary of State, who in turn is directly under the President, who is the Commander in Chief. Likewise, the State Department would not have to build up, by transfer from the Army Department or otherwise, a self-sufficient group with its own organization responsible for the nonmilitary administrative phases of occupied areas.

In certain other areas, governmental agencies are now in existence to which the State Department's present operational responsibilities for engineering, rehabilitation, and like programs could be transferred. Likewise, the functions of visa control and munitions-export control should be transferred from the State Department to the Justice and Commerce Departments, respectively.

In two instances it appears that operational responsibility, for the present at least, must remain in the State Department in default of any other satisfactory location in the executive branch. The one is the educational exchange program which the task force report recommended be transferred to the Federal Security Agency. The Federal Security Agency does not have the orientation, experience, or skills to carry on work in this broad cultural field, and therefore the State Department should continue to administer this program.

The second instance is the foreign information program with its heavy load of operational and technical duties in connection with the radio broadcasting activities of the Voice of America. Here, the task force recommended transfer to a Government corporation, which would make it possible to keep the operation responsive to State Department policy guidance. A strong motivation behind this suggestion is the urgent need for freeing the Assistant Secretary, Public Affairs, from devoting his personal attention to details of an operational nature and for making him available as a high-level staff adviser and chief of press and other public relations for the Secretary of State. This end can be equally well attained, however, by

¹ Commissioners Acheson and Forrestal, by reason of the positions they occupy in the executive branch and their consequent direct relationship to certain immediate occupied areas questions, have abstained from participation in the views expressed in this and the two following paragraphs dealing with occupied areas. This nonparticipation relates only to the occupied areas discussion and not to the balance of the recommendations or to the other portions of the report.

reorganization within the public affairs area. One possibility is the creation of a new post under the Assistant Secretary of a general manager to whom would be assigned full operational authority and responsibility for the Voice of America and such other portions of the foreign information program as are primarily operational in character.

Recommendation No. 8

The State Department should continue to discharge its traditional responsibilities of representation, reporting, and negotiation.

The State Department's principal duties under Presidential direction should be:

(a) To establish, man, maintain, and conduct the machinery of diplomatic relations, correspondence, conversations, negotiation, and agreement with other governments except where, in technical or special cases, parts of these activities are assigned to other departments or agencies, and even then the State Department should observe and counsel their conduct.

(b) To recruit and maintain personnel adequate for its tasks at home and abroad, protected as a career service by tradition as well as law from invasion by political or other demoralizing influence.

(c) To give guidance and direction to our diplomatic missions and delegations abroad, to review and distribute to other interested agencies the intelligence gathered by the State Department, to see to it that the recommendations of the missions are acknowledged and considered but leaving to them wherever possible ways and means of accomplishment.

(d) To aid the President in the selection of qualified persons other than career servants whenever he or the Congress determines they should be drawn from the public at large for particular purposes or particular missions.

(e) To assume primary responsibility for foreign-relations aspects of general policies followed by all peacetime missions overseas, including occupation forces and special missions and programs, and to this end to see that the activities of all American officers abroad are reported to, and are observed and counseled by, the chief of the American diplomatic mission if such officers are temporary, and if permanent and not involving operational programs, that such officers are made part of the diplomatic mission itself.

(f) To recommend to the President any participation and the extent of our participation in international bodies and conferences and to supervise our delegations when established except as the President or Congress otherwise determines in special cases. This involves consultation and coordination with other departments and agencies.

(g) To preserve with the Senate and House a continuous working system of liaison and intercommunication on all matters affecting foreign affairs, in order to reach mutual comprehension, confidence, and agreement.

ARREST BY CZECHOSLOVAKIAN GOVERNMENT OF ASSOCIATED PRESS CORRESPONDENT WILLIAM N. OATIS

Mr. CONNALLY. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of House Concurrent Resolution 140. I think consideration of the resolution will take only a couple or 3 minutes.

Mr. DIRKSEN. Mr. President, if the Senator from Texas will permit, I will yield the time. It so happens that I yielded to the Senator from Oregon [Mr. MORSE], and I shall be delighted to yield to the Senator from Texas.

Mr. CONNALLY. I thank the Senator from Illinois.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the House concurrent resolution.

The PRESIDING OFFICER (Mr. PASTORE in the chair). The concurrent resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (H. Con. Res. 140) expressing indignation at the arrest and conviction of Associated Press Correspondent William N. Oatis by the Czechoslovakian Government.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution (H. Con. Res. 140).

Mr. CONNALLY. Mr. President, it is not necessary to discuss this matter or debate it at any length. We are all familiar with the fact, which has been carried in the press, that William N. Oatis, a correspondent for the Associated Press in Prague, Czechoslovakia, was arrested and imprisoned and is still imprisoned on the charge that he was engaged in some activities of a secret character. I do not know what he was charged with doing. The concurrent resolution reads in part:

Whereas the treatment of William N. Oatis demonstrates that the Czechoslovak Government has willfully repudiated the principle of free information which is so essential to peaceful cooperation and friendly relations among the people of the world; and

Whereas the persecution by the Government of Czechoslovakia of other American citizens is condemned and deplored by the people of the United States, and throughout the free world: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States expresses its profound indignation at the arrest, sham trial and unjust conviction of William N. Oatis; that the executive agencies of the Government be requested to take all possible action to bring about his release; and that the sense of this resolution be conveyed by the proper officials of our Government to the United Nations and to the officials of the Czechoslovakian Government; be it further

Resolved, That it is the sense of the Congress that all commercial relations with Czechoslovakia should be terminated immediately, and should be resumed only if and when the Government of Czechoslovakia restores to William N. Oatis his freedom.

Mr. President, I submit the concurrent resolution for consideration by the Senate.

Mr. MCKELLAR. Mr. President, may I ask the Senator if Czechoslovakia is one of the foreign countries to which we are giving economic aid?

Mr. CONNALLY. No; it is not.

Mr. MCKELLAR. I am glad to hear that.

Mr. CONNALLY. No; we are not giving aid to Czechoslovakia.

Mr. BRICKER. Mr. President, the pending concurrent resolution, submitted by the Senator from Texas [Mr. CONNALLY], chairman of the Foreign Relations Committee, points up a danger to which I desire to advert at this time for a moment, and bring to the attention of the Senate and the people of the United States the seriousness of the in-

ternational complications in which we find ourselves due to the workings of the United Nations in some of its subcommittees.

Mr. President, protection of the rights of American citizens abroad is primarily the responsibility of the executive branch of the Government, and more particularly that of the State Department. The American people should understand that the pending resolution, House Concurrent Resolution 140, will have no legal force or effect. The resolution will help secure the release of William Oatis only to the extent that it stiffens the backbone of the State Department by demonstrating that the Congress is united in favor of strong action. Unfortunately, the State Department's protests concerning the trial and imprisonment of William Oatis must be described as somewhat hypocritical in view of its sponsorship of the United Nations draft Covenant on Human Rights.

By approving House Concurrent Resolution 140, Congress will be lending its moral support to efforts to secure the release of William Oatis. The importance of this resolution is enhanced by the fact that William Oatis is the symbol of a free press and of its suppression in many countries of the world. In trying to help save the symbol of a free press, it seems appropriate for the Senate to give some thought to saving the principle of freedom of the press.

We do not know, Mr. President, whether the State Department's representations to the Czech Government have been timid or vigorous. For obvious reasons, negotiations of this character cannot be given full publicity. I will assume, therefore, that the State Department is fighting hard for the release of William Oatis. Even so, the State Department's position in the Oatis case is saturated with inconsistencies.

In the Oatis case, the State Department has demanded the freedom of a reporter who symbolizes liberty of the press at the very time it is engaged in denying the basic principles of freedom of information. The United Nations draft Covenant on Human Rights would legalize the action of Czechoslovakia in the Oatis case. The State Department and its delegates to the UN are urging ratification of the draft Covenant. It is possible that Czechoslovakia, recognizing the hypocritical stand of the State Department, accepts its protests in the Oatis case with a very large grain of salt.

Article 14, paragraph 3, of the draft Covenant on Human Rights provides:

The right to seek, receive, and impart information and ideas carries with it special duties and responsibilities and may therefore be subject to certain penalties, liabilities, and restrictions, but these shall be such only as are provided by law and are necessary for the protection of national security, public order, safety, health or morals, or of the rights, freedoms, or reputations of others

No one can deny that the reporting of William Oatis endangered the "national security," the "public order," and the "safety" of the Czechoslovak Government within the meaning of Article 14 (3) of the Covenant. The plain fact is that honest reporting of the news weakens the security of any totalitarian

government. Truth is far too potent a weapon to be tolerated in the iron-curtain countries. Since the truthful reporting of news and the national security of Czechoslovakia are mutually inconsistent, the imprisonment of William Oatis would receive legal sanction if the Covenant on Human Rights ever became the acceptable standard of press freedom.

The imprisonment of William Oatis would not have been illegal under the draft Covenant even though Czechoslovakia had a law guaranteeing freedom of the press. Article 2 (1) of the UN draft Covenant on Human Rights would permit legislative guarantees for freedom of the press to be set aside during any emergency proclaimed by the authorities.

How can the State Department complain about the imprisonment of William Oatis when the draft Covenant on Human Rights which it is sponsoring would legitimize such action?

The State Department charges that Oatis was given a "sham" trial. That is unquestionably true. Nevertheless, Oatis was given a public trial, although foreign press representatives were no doubt excluded. Article 10, paragraph 1, of the draft Covenant authorizes the secret trial of criminal cases by providing that "the press and public may be excluded from all or part of a trial for reasons of morals, public order, or national security."

That very provision would reestablish, as a rule of law of the nations of the world submitting to the United Nations Covenant, the Star Chamber, which men have fought for a thousand years to abolish in the free countries of the world.

The State Department cannot denounce the trial of William Oatis in good faith without also denouncing the draft Covenant on Human Rights.

The UN draft Covenant on Human Rights embodies a new and revolutionary theory of international law. According to this theory, the rights of the individual are no longer matters essentially within the domestic jurisdiction of a state, but are subject to recognition, enforcement, and review by an international authority. If the draft Covenant on Human Rights were in force today in both Czechoslovakia and the United States, it would be improper for the United States to take retaliatory action against the Czechoslovak Government for the purpose of liberating William Oatis without the approval of the United Nations.

Part IV of the draft Covenant on Human Rights contains the machinery for implementing the civil and political rights contained in parts I, II, and III. The clear implication of part IV is that those remedial processes are exclusive. Prior to action by the United Nations, the United States could not initiate reprisals against petty tyrants who violate the rights of American citizens. The fate of people like William Oatis would be left to a so-called United Nations Human Rights Committee whose recommendations would be morally binding on the governments concerned.

If the draft Covenant on Human Rights applied to the Oatis case, the following sequence of events would take place. William Oatis was sentenced to 10 years imprisonment on July 4, 1951.

On July 5, 1951, the United States, acting in accordance with article 52 of the draft Covenant, would have been able to protest the action of Czechoslovakia in the Oatis case by sending it a "written communication." Three months later on October 5, 1951, Czechoslovakia would be required to respond. Article 52 also provides that if the dispute is not adjusted to the satisfaction of both parties within 6 months "either state shall have the right to refer the matter to the Human Rights Committee." The Oatis case would reach the Human Rights Committee on January 5, 1952.

Under article 57 of the proposed Covenant, the Human Rights Committee could take as long as 18 months to ascertain the facts and make its report. Its report in the Oatis case could be submitted as late as July 5, 1953.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Texas.

Mr. CONNALLY. Is it not true that the United States has not ratified the convention, that it is not expected that it will ratify the convention, and that until it does we are in nowise bound by the Covenant of the United Nations?

Mr. BRICKER. The Senator is absolutely correct; but that convention is entirely different from the Covenant. The convention has been repudiated by the State Department, and rightfully so, but the Covenant on Human Rights is still supported and advocated by the State Department. I am reciting what would happen in this particular case if the Covenant on Human Rights, which is now advocated by the State Department and by the delegates to the United Nations, should become international law.

Mr. CONNALLY. Let me say to the Senator that the Covenant is a part of the convention.

Mr. BRICKER. No. The convention was entirely separate from the Covenant. The convention was only a declaration. The Covenant is an agreement, as among the nations of the world parties to the United Nations.

Mr. CONNALLY. Until we ratify and approve it, we are not in anywise bound.

Mr. BRICKER. The Senator is entirely correct; and I am very happy that that is the situation. There is before the committee presided over by the distinguished senior Senator from Texas the concurrent resolution which I submitted, to the effect that it is the sense of the Senate that the United States shall not ratify the Covenant on Human Rights. I hope that at a very early date the Senator will see fit to give us a hearing on that resolution, which is consistent with the resolution submitted sometime ago by the distinguished Senator from Arkansas [Mr. McCLELLAN], in regard to the United Nations, which resolution was adopted by the Senate by a unanimous vote, as I recall.

The concurrent resolution is an expression of the sense of the Congress. The thought it conveys expressed practically unanimously, as I hope it will be, would be a directive to the representatives of the United States Government to the United Nations that they should not proceed further, and that the State Department should withdraw its support of the Covenant on Human Rights.

Mr. BENTON. Mr. President, will the Senator yield for a question?

Mr. BRICKER. I yield to the Senator from Connecticut.

Mr. BENTON. Does not the Senator from Ohio wish to make clear that there are two UN conventions in the news field?

Mr. BRICKER. That is correct—the convention and the covenant.

Mr. BENTON. No; there were two conventions plus the covenant. That makes three documents with which you are concerned.

Mr. BRICKER. Yes. The distinguished Senator from Connecticut had an important part to play with respect to one of them.

Mr. BENTON. I greatly appreciate the remark just made by the distinguished junior Senator from Ohio. Indeed I had a good deal to do with both the news conventions.

The convention just repudiated by the State Department is a wholly different convention from the second news convention also worked out and agreed to at the United Nations conference at Geneva on Freedom of Information, in 1948, where I had the privilege of serving as chairman of the American delegation. The repudiated convention also originated at Geneva where, I believe, it was first known as the British convention. The United States delegation vigorously argued against it.

The convention we repudiated was then carried through the UN machinery by the British, French, and others. It has now been formally repudiated by the United States once more in Geneva by the very able and distinguished United States representative, Mr. Walter Hotschnig, who also served with me in Geneva in 1948.

Mr. BRICKER. The Senator is entirely correct that there are the two news conventions.

Mr. BENTON. The second UN news convention worked out at the United Nations Conference on Freedom of Information was introduced by the United States delegation and stands out as the major achievement of the conference. It is also through the UN machinery, and is now awaiting signature by the various powers. I shall vigorously advocate United States adherence to this convention, as will, I feel sure, the many distinguished representatives of the American press who served with me at Geneva. Czechoslovakia and the Communist countries have bitterly opposed this convention throughout and of course will refuse to sign. If the convention were to be approved by Czechoslovakia, it would of course make illegal the inhuman and unjust treatment accorded to Mr. Oatis.

Daily Digest

HIGHLIGHTS

Senate worked on State, Justice, Commerce appropriations bill, and adopted various resolutions.

Senate Banking Committee announced hearings on price and wage controls, and Foreign Relations and Armed Services acted on amendments to mutual security.

Senate

Chamber Action

Routine Proceedings, pages 10735-10738

Bills Introduced: Seven bills and one resolution were introduced, as follows: S. 2042 to S. 2048; and S. J. Res. 95.

Pages 10737-10738

Bills Reported: Reports were made as follows:

S. Res. 192, to increase by \$10,000 funds for the Committee on Banking and Currency (no written report);

S. Res. 194, to increase by \$15,000 funds for the Select Committee on Small Business (no written report); and

S. Res. 164, to provide \$841 for certain personal services rendered to the Committee on Labor and Public Welfare, with committee amendment (no written report).

Pages 10736-10737

President's Message: Message from President recommending legislation to amend and strengthen the Defense Production Act of 1950 was received and referred to Committee on Banking and Currency.

Pages 10752-10755

Korean Relief: H. J. Res. 281, authorizing the President to proclaim a special period for intensified voluntary contributions of clothing and kindred supplies in connection with the collection effort of American Relief for Korea, Inc., was adopted without amendment and cleared for President's signature.

Page 10735

Oatis Detention: By unanimous vote of 81 yeas and no nays, Senate adopted H. Con. Res. 140, voicing the indignation of the Congress at the arrest and conviction by the Czechoslovakian Government of William N. Oatis, AP correspondent in Prague, Czechoslovakia.

Pages 10745-10750

State, Justice, Commerce Appropriations: Senate continued on H. R. 4740, State, Justice, Commerce appropriations for 1952, adopting most of the committee amendments and deferring action temporarily on some

others. Two of the committee amendments were adopted with amendments, as follows: (1) McCarran amendment on behalf of committee to increase by \$3,500 limitation as to personnel services for care of building and grounds, U. S. Supreme Court; and (2) Hayden amendment exempting Foreign Service personnel employees from ratio limitations imposed on employees engaged in personnel work. Also adopted was McCarran amendment on behalf of committee earmarking \$99,000 for personnel services in export control, Bureau of Foreign and Domestic Commerce.

Pending at recess was Douglas amendment (to committee amendment) reducing by \$4,487,777 funds for salary and expenses, Department of State.

Pages 10738-10740, 10750-10752, 10755-10756
10759-10763, 10766-10768

Routine Resolutions Adopted: Senate adopted the following routine resolutions: S. Res. 192, to increase by \$10,000 funds for the Committee on Banking and Currency; S. Res. 194, to increase by \$15,000 funds for the Select Committee on Small Business; with committee amendment, S. Res. 164, to provide \$841 for certain personal services rendered to the Committee on Labor and Public Welfare; H. Con. Res. 39, authorizing the House Select Committee To Investigate the Use of Chemicals in Food Products to have printed for its use 1,000 additional copies of hearings conducted pursuant to H. Res. 323; and H. Con. Res. 146, providing for the printing of 1,000 additional copies of 1952 hearings relative to revenue revision, held before House Committee on Ways and Means.

Pages 10736-10738

Confirmation: One Navy nomination was confirmed.

Page 10785

Program for Friday: Senate recessed at 7:10 p. m. until noon Friday, August 24, when it will continue work on H. R. 4740, State, Justice, Commerce appropriations for 1952.

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—ARMED SERVICES

Committee on Appropriations: Continuing hearings on 1952 budget estimates for various branches of the armed services (H. R. 5054), Subcommittee on Armed Services received testimony by Maj. Gen. R. H. Fleming, Brig. Gen. D. N. Yates, and Col. C. E. Sullivan, Special Assistant for Reserve Forces, with their assistants, in justification of budget estimates for the Air Force. The following witnesses appeared in justification of estimates for the Office of the Secretary of Defense and other defense items: Wilfred J. McNeil, Assistant Secretary of Defense; Assistant Secretary of Army Karl Bendtsen; and Francis Shackelford, counsel for Department of Army, and their assistants. Hearings continue tomorrow.

PRICE AND WAGE CONTROLS

Committee on Banking and Currency: Following an executive session with Eric Johnston, Administrator, Economic Stabilization Agency, and Michael DiSalle, Director of Price Stabilization, the committee announced that it will hold hearings next Thursday and Friday, August 30 and 31, to receive testimony by Government witnesses on proposed amendments to price- and wage-control sections of the Defense Production Act of 1950, which will be before the committee by that time. Committee will then recess over until September 10 for further hearings.

TAX REVISION

Committee on Finance: In executive session, committee continued consideration of H. R. 4473, tax-revision bill, but made no announcement of action taken. Committee continues tomorrow.

MUTUAL SECURITY

Committees on Foreign Relations and Armed Services: Continuing consideration in executive session for reporting to the Senate H. R. 5113, to maintain the security and promote the foreign policy and provide for the welfare of the U. S. by furnishing assistance to friendly nations in the interest of international peace and security, the committees took the following actions: Adopted a number of amendments relative to the administration of the program, including Lodge amendment directing the President to submit to Congress a reorganization plan abolishing the ECA and transferring powers and functions necessary to carry out the purposes of the Mutual Security Act to such other agencies as appropriate. Committees also agreed to two amendments by Senator Russell (1) providing for coordination of program in the Executive Office of the President, and (2) fixing responsibility of the Secretary of Defense for certain military aspects of the program.

An amendment by Senator Saltonstall was also adopted which would increase the funds for economic assistance in Near East and Africa from \$85,500,000 to \$122,500,000, as compared to \$125,000,000 requested by the President, or \$175,000,000 as passed by the House. Committees meet again tomorrow.

JUDICIAL NOMINATION

Committee on the Judiciary: Subcommittee held routine hearings on the nomination of Roberto H. Todd, Jr., to be chief justice of the Supreme Court of Puerto Rico. Subcommittee will report the nomination to the full committee.

INTERNAL SECURITY

Committee on the Judiciary: Subcommittee on Internal Security continued its hearings, receiving further testimony from Louis Budenz, former Communist, and now professor at Fordham University, as to his knowledge of personnel connected with the Institute of Pacific Relations. Subcommittee adjourned subject to call.

MALNUTRITION, AND HEALTH SURVEY

Committee on Labor and Public Welfare: Subcommittee held hearings on two bills with various witnesses testifying, as follows:

On S. 513 (H. R. 304), to provide for a study of the mental and physical consequences of malnutrition and starvation suffered by prisoners of war and civilian internees during World War II, the following witnesses expressed their views on the proposed legislation: Senator Douglas; Georgia L. Lusk and Myron Wiener, both of the War Claims Commission; G. H. Birdsall, Assistant Administrator of Veterans' Affairs, accompanied by Dr. H. A. Press; Charles Slayman, AMVETS; George Riley, AFL; Edwin D. Nye, Workers of Wake, Guam, and Cavite; Ralph Reynolds, American Internees Committee; Major Robert W. Geis and Richard J. Holder, both of American Ex-Prisoners of War; Ralph Rodriguez, Albuquerque, N. Mex.; and Lewis Goldstein, American Defenders of Bataan and Corregidor.

The following witnesses expressed their views on S. 1328, to provide for a survey of sickness in the U. S.: Senator Murray; Drs. Leonard Scheele, George Perrott, and Theodore Woolsey, all of the FSA; Michael E. Freelund, Muscular Dystrophy Association; Dr. E. Cuyler Hammond, American Cancer Society; and Lynn Adams, Mental Health Association.

POSTAL CHECKS

Committee on Post Office and Civil Service: In executive session, subcommittee voted to report to the full committee with amendment S. 1411, to authorize the Postmaster General to issue duplicate checks without requiring bond when checks of the Post Office Department are lost while in custody of the U. S.

Mr. DOUGLAS. No, I certainly did not.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Illinois [Mr. DOUGLAS]. The Chair recognizes the Senator from Nevada.

Mr. McCARRAN. Mr. President, the Senator from Illinois correctly states the fact that the subcommittee reported \$300,000,000, and that the bill now carries \$325,000,000. The \$25,000,000 was put back into the bill by the full committee. This is liquidation money. It is to liquidate contracts already in existence; to pay off those contracts.

Mr. KERR and Mr. McCLELLAN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nevada yield; and, if so, to whom?

Mr. McCARRAN. I yield first to the Senator from Oklahoma.

Mr. KERR. Is in fulfillment of the authorization made by the Congress?

Mr. McCARRAN. Yes.

Mr. KERR. And is it for highway construction in the States in accordance with those authorizations?

Mr. McCARRAN. That is correct.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. McCARRAN. Yes.

Mr. KERR. Does it cover not only primary and urban road projects under the Federal-aid program but also farm-to-market roads?

Mr. McCARRAN. That is correct.

Mr. KERR. I thank the Senator.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. McCLELLAN. The Senator said it was for liquidation of obligations. Does the Senator mean the \$25,000,000 or the entire \$325,000,000?

Mr. McCARRAN. The entire amount.

Mr. McCLELLAN. The entire amount. In other words, that amount has already been programed by the Bureau of Federal Roads.

Mr. McCARRAN. The reason the subcommittee did not include the \$25,000,000 was that we thought the rate of payment would not require the \$25,000,000, but the judgment of the full committee was to the contrary.

Notwithstanding the plaudits and very nice expressions by my good friend, the Senator from Illinois, I must represent the full committee here.

Mr. DOUGLAS. The Senator does so unwillingly, does he not?

Mr. McCARRAN. No, I do not do it unwillingly. I do not do anything unwillingly.

Mr. DOUGLAS. Does not the Senator do so out of a feeling of duty to the committee rather than the Senator's sober and mature judgment as expressed in the subcommittee?

Mr. McCARRAN. I want to say that it is the sober judgment of the Senator, not affected in any way whatever by the amendment the Senator from Illinois submitted a few minutes ago.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. HUNT. I should like to ask the distinguished chairman of the subcommittee if the committee recommendation is not now \$95,000,000 below the budgetary request.

Mr. McCARRAN. Yes; it is \$95,000,000 below the budgetary request.

Mr. HUNT. I should like to ask the distinguished chairman of the subcommittee if he is aware of the fact that the Forest Service has a backlog of \$70,000,000 of road construction, and that we are allowing only \$17,000,000.

Mr. McCARRAN. The Senator correctly states the facts.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield to the Senator from Michigan.

Mr. FERGUSON. Is it not a fact that this amendment will really not save any money in the end because the original legislation permits payment of the contractual obligations for the finishing of these roads?

Mr. McCARRAN. That is correct. The contracts have been awarded.

Mr. FERGUSON. The contracts have been awarded and the projects are being constructed?

Mr. McCARRAN. That is correct.

Mr. FERGUSON. And the question will be to what extent the roads will be completed, and the amount of the bills which actually will come to the United States Government during the present fiscal year.

Mr. McCARRAN. I will state again the reason why the subcommittee cut the amount by \$25,000,000. It was because we thought that the speed with which the payments would be made would not require \$25,000,000. The full committee thought otherwise.

Mr. FERGUSON. They seemed to have facts upon which they contended that there would be sufficient obligations so it would be necessary to use the full amount.

Mr. McCARRAN. The obligations will have to be paid sometime.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. WHERRY. I am a member of the subcommittee and also the full committee which dealt with the matter. I realize, of course, that the obligations have to be paid. There certainly is no doubt about that. The various figures represent an estimate as to what contracts will be fulfilled so that there will be money to meet them this year. The matter that perplexes me, however, is that the Bureau of the Budget recommended ninety-odd millions above the amount in question. Then the House cut the amount to \$325,000,000. Then the subcommittee of the Senate Committee on Appropriations heard the evidence and thought the amount should be only \$300,000,000. Then when it came before the full committee, the committee decided the amount should be \$325,000,000. I should like to know why there is not agreement with respect to the estimates.

Mr. McCARRAN. The expenditures for the first 6 months of 1951 were \$143,129,610.

On that basis it was the judgment of the subcommittee that \$25,000,000 could be eliminated.

Mr. HAYDEN. Mr. President, if the Senator will yield, I presented the matter before the full committee. The reason why we thought that an additional amount of money would be required during the first half of the fiscal year, over what would be required in the second half, is that the construction season is mainly in the summertime.

Mr. WHERRY. Did not the Budget Bureau consider that factor when it submitted the estimates, and did not the House consider it? In the subcommittee \$300,000,000 seemed to be ample on the evidence which was disclosed. Was any new evidence submitted to the full committee which the subcommittee did not have, which would justify increasing the amount by \$25,000,000?

Mr. HAYDEN. I made the statement that I had talked with representatives of the Bureau of Public Roads, and that they stated that there had been more active competition among contractors, and that the work was progressing—

Mr. WHERRY. Faster?

Mr. HAYDEN. Faster than expected.

Mr. WHERRY. Of course, it must be paid for anyway. I know that.

Mr. HAYDEN. It must be paid for anyway.

A further fact is that during the second 6 months of the calendar year more payments are required, because the season is open. During the first half of the calendar year the winter and spring must pass before work can proceed.

Mr. WHERRY. It seems that each time the subject comes before the committee there is a different state of facts upon which to make the decision. If the amount necessary is \$300,000,000, let us appropriate the \$300,000,000. If it is \$325,000,000, let us appropriate that amount. If it is more than that, inasmuch as it is authorized and the contracts will be processed, very well. I realize that this is only an estimate. The facts are considered first on one basis, and then on another, and the confusion is continued.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

The amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 4740) was passed.

Mr. McCARRAN. Mr. President, I move that the Senate insist on its amend-

ments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. McCARRAN, Mr. McKELLAR, Mr. ELLENDER, Mr. GREEN, Mr. BRIDGES, Mr. SALTONSTALL, and Mr. FERGUSON conferees on the part of the Senate.

LEAVE OF ABSENCE

Mr. FERGUSON. Mr. President, I ask unanimous consent to be absent from the sessions of the Senate to attend the Interparliamentary Union meeting at Istanbul, Turkey, as a delegate from the

Senate, under appointment by the Vice President, who is president of the organization in the United States. I ask to be excused until the meeting at Istanbul is over.

The VICE PRESIDENT. Without objection, it is so ordered.

AUTHORITY TO REPORT MUTUAL SECURITY BILL

Mr. McFARLAND. Mr. President, I ask unanimous consent that the Armed Services and Foreign Relations Committees may file a report on H. R. 5113, the Mutual Security Act for 1951, during the recess of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

RECESS TO MONDAY

Mr. McFARLAND. I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 9 o'clock and 14 minutes p. m.) the Senate took a recess until Monday, August 27, 1951, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate August 24 (legislative day of August 1), 1951:

DIPLOMATIC AND FOREIGN SERVICE

Howard K. Travers, of New York, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Haiti.

Daily Digest

HIGHLIGHTS

Senate passed State, Justice, Commerce appropriations bill.

Senate committees voted to report mutual security bill and acted on amendments to tax revision.

See Congressional Program Ahead.

Senate

Chamber Action

Routine Proceedings, pages 10799-10803

Bills Introduced: Four bills and five resolutions were introduced, as follows: S. 2049 to S. 2052; S. J. Res. 96; S. Con. Res. 43 to S. Con. Res. 45; and S. Res. 197.

Pages 10800, 10802, 10813

Bills Reported: One report was made as follows: S. 306, to name VA hospital at Birmingham, Ala., in honor of Gen. William Crawford Gorgas (S. Rept. 702).

Page 10800

State, Justice, Commerce Appropriations: By voice vote, Senate passed, with amendments, H. R. 4740, State, Justice, Commerce appropriations for 1952, after taking the following further actions on amendments thereto:

Adopted: All remaining committee amendments (two with amendments as indicated); by 52 yeas to 16 nays, Mundt amendment (to committee amendment) increasing by \$22 million funds for Voice of America; Mundt amendment providing \$10 million for exchange of persons in Voice of America program, and a perfecting amendment; Kefauver amendment, increasing by \$70,000 funds under general administration, Department of Justice; Kefauver amendment increasing by \$500,000 funds for salaries and expenses, Antitrust Division, Department of Justice; and McCarran amendment (to committee amendment) increasing by \$1,270,290 figure in limitation on use of funds for personal services, Weather Bureau.

Rejected: On division vote, Douglas amendment (to committee amendment) reducing by \$4,487,777 funds for salaries and expenses, Department of State; by 28 yeas to 45 nays, Nixon amendment (to committee amendment) reducing by \$207,115 funds for salaries and expenses, Department of State, and barring appropriations for Division of Public Liaison; by 36 yeas to

36 nays, Douglas amendment (to committee amendment) reducing by \$2 million funds for acquisition of buildings abroad, State Department; by 25 yeas to 39 nays, Douglas amendment reducing by \$175,000 funds for representation allowances, State Department; and Douglas amendment to reduce by \$25 million funds for Federal aid to highways.

Senate requested a conference, and appointed as conferees Senators McCarran, McKellar, Ellender, Green, Bridges, Saltonstall, and Ferguson.

Pages 10803-10805, 10816-10818, 10820-10872

Mutual Security: Committees on Foreign Relations and Armed Services were given permission to file a report during recess on H. R. 5113, to maintain the security and promote the foreign policy and provide for the welfare of the U. S. by furnishing assistance to friendly nations in the interest of international peace and security.

Page 10872

Nomination: The nomination of Howard K. Travers, of New York, to be Ambassador to Haiti was received.

Page 10872

Program for Monday: Senate recessed at 9:14 p. m. until noon Monday, August 27, when it will take up H. R. 4550, control of exports to nations threatening security of U. S., to be followed by H. R. 5113, mutual security bill.

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—ARMED SERVICES

Committee on Appropriations: Continuing its hearings on 1952 budget estimates for the various branches of the armed services (H. R. 5054), Subcommittee on Armed Services heard Anna M. Rosenberg, Assistant Secretary of Defense, and assistants, testify on two House amendments involving retirement pay, and inactive and voluntary reserves. Subcommittee meets again August 27.

TAX REVISION

Committee on Finance: In executive session, committee took action on further amendments to H. R. 4473, tax-revision bill, as follows:

(1) It reconsidered its previous tentative vote on raising individual income-tax rates, and tentatively (subject to further study by the committee) agreed to a modified plan to provide an 11-percent increase in present law taxes or an 8-percent tax on take-home pay (surtax net income after deduction and exemptions) after present law taxes, whichever is lower. A termination date of December 31, 1953, is set for the provision. The effective ceiling rate is raised from 87 to 88 percent. The increase is effective as of November 1, 1951, and increased withholding will begin at that time. The increased tax will be integrated into the rate schedule. Burden tables will be released after the rate table is prepared. It is estimated that this will raise revenues by slightly over \$2.4 billion. The comparable estimate under the House bill was over \$2.8 billion.

The change adopted in the head-of-household provision of the House bill has been announced previously. For those qualifying under this provision one-fourth of the benefit of income splitting is made available instead of one-half as provided in the House bill. It is estimated that this will reduce revenues derived from individuals by about \$25 million as contrasted to about \$50 million under the House bill.

(2) The committee struck out the increase in the capital-gains tax rate from 25 to 28.125 percent provided by the House bill for both individuals and corporations.

(3) It struck out the provision providing for withholding on dividends, interest, and royalties, but retained the House provision requiring interest to be reported on amounts over \$100 with discretion in the Secretary of the Treasury to require reporting below \$100.

(4) The House provision providing for additional voluntary withholding under agreement between the employee or employer was retained.

(5) A new provision was added, relieving taxpayers from penalty for additional tax provided by this bill if amended declarations of estimated tax are not filed.

Committee meets again tomorrow.

MUTUAL SECURITY

Committees on Foreign Relations and Armed Services: Meeting jointly in executive session, the committees voted to report with amendments H. R. 5113, to maintain the security and promote the foreign policy and provide for the welfare of the U. S. by furnishing as-

sistance to friendly nations in the interest of international peace and security.

As approved by the committees, the bill would authorize a total of \$7,535,750,000, of which \$6,013,000,000 is for military assistance and \$1,522,750,000 for economic assistance. This compares with a total of \$7,498,750,000 approved by the House, of which \$6,013,000,000 is for military assistance and \$1,485,750,000 for economic assistance.

Before the committees approved the bill today, they rejected, by 14 to 4, an amendment offered by Senator Green on St. Lawrence waterway, adopted an amendment by Senator Fulbright on FBI clearance of employees, reduced from \$450,000,000 to \$150,000,000 the amount of shipment of surplus military equipment during fiscal year beginning June 30, 1951, adopted various amendments on transfer of funds from one purpose to that of another (including countries involved), and agreed to various perfecting amendments.

CUMBERLAND RIVER

Committee on Public Works: Subcommittee on Flood Control-Rivers and Harbors heard the following witnesses testify in support of the enactment of S. 97, to authorize construction of facilities for hydroelectric power at Cheatham Dam on Cumberland River, Tenn., and S. 98, to authorize construction of Lower Cumberland Dam and Reservoir on Cumberland River in Kentucky and Tennessee: Senators McKellar and Kefauver; Gen. C. H. Chorpeneing, Assistant Chief of Engineers for Civil Works, and Col. Henry Walsh, district engineer, Nashville, both of the Corps of Engineers; Harry Dyer, president, Nashville Bridge Co., Nashville, Tenn.; R. N. Coolidge, president, Cumberland River Sand Co., Nashville; John Herbert, president, P. L. Herbert & Sons, Nashville; Silliman Evans, publisher, Nashville Tennessean, Nashville; R. B. Diehl, Flood Control Committee of Kentucky; and Roland White, Cadiz, Ky.

SMALL BUSINESS—RUBBER

Select Committee on Small Business: Subcommittee on Rubber, in executive session, met with officials of the GSA, RFC, Munitions Board, NPA, and a staff member of the Preparedness Subcommittee of the Committee on Armed Services to consider in detail the recommendations of the watchdog subcommittee with a view to increasing exemption of small rubber companies under allocations, and removing restrictions presently contained in NPA orders.

THE MUTUAL SECURITY ACT OF 1951

REPORT OF THE COMMITTEE ON FOREIGN RELATIONS AND THE COMMITTEE ON ARMED SERVICES ON

H. R. 5113

A BILL TO MAINTAIN THE SECURITY AND
PROMOTE THE FOREIGN POLICY AND PRO-
VIDE FOR THE GENERAL WELFARE OF THE
UNITED STATES BY FURNISHING ASSISTANCE
TO FRIENDLY NATIONS IN THE INTEREST OF
INTERNATIONAL PEACE AND SECURITY



11

AUGUST 27 (legislative day, AUGUST 1), 1951.—Ordered to be printed
with illustrations

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WASHINGTON : 1951

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THE MUTUAL SECURITY ACT OF 1951

AUGUST 27 (legislative day, AUGUST 1), 1951.—Ordered to be printed

Mr. CONNALLY, from the Committees on Foreign Relations and Armed Services jointly, submitted the following

REPORT

[To accompany H. R. 5113]

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

The joint committee made up of the Committee on Foreign Relations and the Committee on Armed Services, having had under consideration H. R. 5113, the Mutual Security Act of 1951, without objection report the bill favorably to the Senate with an amendment and recommend that it do pass.

PURPOSE OF THE BILL

The purpose of this bill is to authorize funds for United States military, economic, and technical assistance to certain friendly nations. It brings together in one place virtually all of the foreign assistance to be considered by the Eighty-second Congress, first session. It authorizes not to exceed \$7,535,750,000 for all programs, \$6,013,000,000 of which is for military aid and items, \$1,522,750,000 for economic and technical assistance. The bulk of the funds will be used for programs initiated by the Congress when it passed the Economic Cooperation Act of 1948, the Mutual Defense Assistance Act of 1949, and the Act for International Development, 1949.

In addition, the bill places responsibility for the coordination of the foreign-aid programs in the Executive Office of the President.

A. INTRODUCTION

1. COMMITTEE ACTION

On May 24, 1951, the President recommended the Mutual Security Program to the Congress as "another vital step along the road to real

security and lasting peace." On June 5, the executive branch submitted data on the program, including a proposed draft of the Mutual Security Act of 1951. Senator Connally introduced this draft (S. 1762) (by request) in the Senate on June 27, and it was referred to the Committee on Foreign Relations. Subsequently, on July 30, 1951, at the request of Senator Connally, S. 1762 was rereferred to the Committee on Foreign Relations and the Committee on Armed Services jointly.

The Foreign Relations Committee held public hearings at which it heard Dean Acheson, Secretary of State, on July 26; George C. Marshall, Secretary of Defense, on July 27; and William C. Foster, Administrator for Economic Cooperation, on July 30.

Executive hearings were held by the joint committee on July 31, August 1, 2, 3, 6, 7, 8, 9, and 13, during which it heard 32 witnesses, as follows:

Title I—Western Europe.—George W. Perkins, Assistant Secretary of State for European Affairs; Gen. J. Lawton Collins, Chief of Staff, United States Army; Richard M. Bissell, Jr., Deputy Administrator for Economic Cooperation; Gen. Alfred M. Gruenther, Chief of Staff, Supreme Headquarters, Allied Powers, Europe; Charles M. Spofford, United States deputy to North Atlantic Council for NATO Operations in Europe; Maj. Gen. A. Franklin Kibler, Director, Joint American Military Advisory Group for Europe; Milton Katz, United States special representative in Europe (ECA); William L. Batt, United States member, Defense Production Board; Maj. Gen. S. L. Scott, Director, Office of Military Assistance, Department of Defense; Brig. Gen. George Olmsted, Deputy Assistant Chief, G-4, Department of the Army.

Title II—Near East and Africa.—George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs; Admiral Donald B. Duncan, Deputy Chief of Naval Operations; Maj. Gen. William H. Arnold, Director, Joint American Military Mission for Assistance to Turkey; Maj. Gen. Reuben Jenkins, former Chief of Joint United States Mission for Assistance to Greece; Leslie A. Wheeler, consultant to the Iran foreign-aid program, Department of State; Paul H. Douglas, United States Senator; Robert A. Taft, United States Senator.

Title III—Far East.—George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs; William D. Pawley, special assistant to the Secretary of State; John D. Hickerson, Assistant Secretary of State for United Nations Affairs; Dean Rusk, Assistant Secretary of State for Far Eastern Affairs; R. Allen Griffin, Director, Far East Program Division, Economic Cooperation Administration; Maj. Gen. H. J. Malony, Department of Defense representative, Southeast Asia Policy Coordinating Committee; Horace Holmes, agriculturalist, Department of State and Department of Agriculture.

Title IV—Latin America.—Lt. Gen. Charles L. Bolte, Chairman, Inter-American Defense Board; Edward G. Miller, Jr., Assistant Secretary of State for Inter-American Affairs; Dr. Henry G. Bennett, Administrator, Technical Cooperation Administration, Department of State.

General provisions.—Thomas D. Cabot, Director, International Security Affairs Committee; Carlisle Humelsine, Deputy Under Secre-

tary of State; Capt. George N. Robillard, United States Navy, Assistant Chief of Naval Research for Patents and patent counsel for the Navy; General of the Army Omar Bradley, Chairman, Joint Chiefs of Staff; and George D. Aiken, United States Senator.

The transcript of these executive hearings, edited for security purposes, is published as part of the hearings of the joint committee.

Prior to the hearings a subcommittee of the Foreign Relations Committee, headed by Senator Green as chairman, and composed of Senators McMahon, Sparkman, Gillette, Wiley, Smith of New Jersey, Hickenlooper, Lodge, and Brewster, visited Europe from July 7 to July 23. Conferences were held with American and foreign officials in France, the United Kingdom, Spain, Greece, Turkey, Italy, and Germany. In addition, the subcommittee heard and conferred with top American political, military, and economic officers from Norway, Denmark, Holland, Belgium, Luxemburg, and Portugal. Upon its return this subcommittee issued a report (S. Doc. 56, 82d Cong., 1st sess.) along with the hearings which were held, which have been printed for the use of the Senate.

On August 17 the House of Representatives by a vote of 260 to 101 passed H. R. 5113. The House bill was referred to the Joint Committee on Foreign Relations and Armed Services on August 20. Executive sessions were held by the joint committee on August 20, 22, 23, and 24 to mark up the bill. On the last day, while drafting certain technical phases, the joint committee heard C. Tyler Wood, Deputy United States special representative in Europe (ECA); Jack K. McFall, Assistant Secretary of State; and Sam Efron, counsel, Office of Military Assistance. On August 24 the joint committee unanimously agreed to report H. R. 5113 with an amendment.

2. AMOUNTS AUTHORIZED TO BE APPROPRIATED

a. General

The amounts authorized to be appropriated by the first four titles of the bill aggregate \$7,535,750,000. This is \$964,250,000 less than the amount requested by the administration but is \$37 million more than the amount authorized by the House version of the bill.

This aggregate amount is divided into two main categories: Funds authorized for military end items and training, in the sum of \$6,013,000,000, and funds authorized for economic and technical assistance, in the sum of \$1,522,750,000.

b. Amounts are supported by specific program data

The joint committee elicited from the witnesses detailed testimony as to the manner in which the \$8.5 billion requested by the administration had been determined. Although the full amount requested has not been authorized, the testimony left no doubt but that the amounts requested reflect a detailed and methodical analysis of the costs of specific programs, as planned within each of the recipient nations. Those responsible for the program had developed ample data from which to present specific cost breakdowns by item or function. There was no suggestion that the amounts requested were in any way mere lump-sum approximations. On the contrary, and notwithstanding the fact that the joint committee did not approve the full amount requested, the detailed planning reflected by the data presented in support of the cost figures was thorough.

c. Military

The amounts recommended by the joint committee for military assistance reflect the funds necessary to fill the deficiencies in the equipment of specific numbers of units at an agreed upon rate of activation and for agreed upon missions.

The basic deficiency is in heavy equipment and in complex accessory items such as electronic equipment. It is these types of equipment which account for by far the major portion of the outlay for military end-item assistance from the United States. Not only are these items expensive, but many of them require a long lead time in their manufacture. In circumstances such as the present, where time is critical, these lead-time requirements make it essential that there be no delay in starting the placing of contracts and the actual production required. The overwhelming preponderance of these items must be furnished from the only source capable of meeting the schedule—our own industrial facilities.

d. Economic

As was the case with requests for military assistance, the requests for economic assistance were also based upon specific and carefully considered programs. With the partial exception of technical assistance granted under the point 4 program, the economic aid requested is to a considerable extent in support of the military program. For example, the ability of a nation to manufacture small arms, spare parts, or ammunition might be hampered because of a lack of certain materials or machine tools. Assistance aimed at providing for these specific shortages might, in a sense, be looked upon as economic aid, but the end product is military assistance.

e. Basis for authorizations contained in the bill

As has been stated previously, the amount authorized by this bill is considerably less than the amount requested, but is somewhat more than the amount authorized by the House version of the bill.

The following chart reflects a breakdown of the distribution, by area and purpose, with the total amounts, as recommended by the administration, aggregating \$8.5 billion. After a thorough review of the testimony presented by the witnesses, and a careful analysis of the House bill and report, the joint committee felt that a general reduction of 5 percent of the amount requested by the administration for military assistance, and 30 percent of the amount requested for economic assistance, was feasible.

In accordance with this 5 percent–30 percent formula, the amounts requested by the administration were scaled down in all four geographic titles. The resulting totals are shown in column 4 of the following tabulation. The aggregate amount of the reduction comes to \$964,250,000.

Further analysis of the resulting totals in each of the four titles and a comparison of them with the detailed programs planned for each recipient country led to a further reduction of \$27 million in the economic aid provided in title I for the European nations. Within the balance resulting from this \$27 million reduction, a refinement in the distribution of funds resulted in the shifting of a total of

\$25,150,000 from economic assistance to military assistance in the four titles of the bill. A final review of the amounts authorized for economic aid in the Near East and Africa led to an increase of \$37 million in the funds authorized for that area. The effect of these various adjustments is reflected in the final balances authorized in the Senate bill and shown in column 6 of the following tabulation. The net reductions made in the amounts requested by the administration are shown in column 7.

Difference between President's request, H. R. 5113 as passed the House on Aug. 17, and Senate amendment

	(1) Amount requested	(2) Amount in H. R. 5113	(3) Amount of reduction, H. R. 5113	(4) Tentative Sen- ate bill (5 to 30 percent)	(5) Tentative Senate reduction	(6) Final balances, Senate bill	(7) Final Senate reduction
Over-all:							
President's request, May 1951.....	\$8,500,000,000	\$7,498,750,000	\$1,001,250,000	\$7,525,750,000	\$974,250,000	\$7,535,750,000	\$664,250,000
Military assistance.....	6,303,000,000	6,013,000,000	290,000,000	5,987,850,000	315,150,000	6,013,000,000	290,000,000
Economic assistance.....	2,197,000,000	1,485,750,000	711,250,000	1,537,900,000	659,100,000	1,522,750,000	674,250,000
By title:							
Title I, Europe.....	6,968,000,000	6,013,000,000	955,000,000 (900,000,000)	6,200,850,000	767,150,000	6,173,850,000	794,150,000
Military.....	5,293,000,000	5,028,000,000	265,000,000	5,028,350,000	264,650,000	5,043,350,000	249,650,000
Economic.....	1,675,000,000	985,000,000	690,000,000 (635,000,000)	1,172,500,000	502,500,000	1,130,500,000	544,500,000
Title II, Near East and Africa.....	540,000,000	590,000,000	+50,000,000	481,750,000	58,250,000	518,750,000	21,250,000
Military.....	415,000,000	415,000,000	-----	394,250,000	20,750,000	396,250,000	18,750,000
Economic.....	125,000,000	175,000,000	+50,000,000	87,500,000	37,500,000	122,500,000	2,500,000
Title III, Asia and Pacific.....	930,000,000	788,750,000	151,250,000	789,750,000	140,250,000	789,750,000	140,250,000
Military.....	555,000,000	530,000,000	25,000,000	527,250,000	27,750,000	535,250,000	19,750,000
Economic.....	375,000,000	248,750,000	126,250,000	262,500,000	112,500,000	254,500,000	120,500,000
All except Korea.....	262,500,000	237,500,000	25,000,000	(183,750,000)	(78,750,000)	(178,750,000)	(83,750,000)
Contribution for Korea.....	112,500,000	11,250,000	101,250,000	(78,750,000)	(33,750,000)	(75,750,000)	(36,750,000)
Title IV, American Republics.....	62,000,000	62,000,000	-----	53,400,000	8,600,000	53,400,000	8,600,000
Military.....	40,000,000	40,000,000	-----	38,000,000	2,000,000	38,150,000	1,850,000
Economic.....	22,000,000	22,000,000	-----	15,400,000	6,600,000	15,250,000	6,750,000
Title V.....	1 (55,000,000)	55,000,000	-----	-----	-----	-----	-----

¹ Included in \$1,675,000,000 for economic aid in title I.

3. THE THREAT TO THE FREE WORLD

There is virtually unanimous agreement in the Congress and among the American people that Soviet imperialistic communism poses the principal threat to world peace, to independent nations, and to free-men. Despite domestic political differences among our people and disagreements on foreign policy in the Far East or on such matters as east-west trade there is no question but that Americans recognize the danger the United States confronts in the world-wide political and economic struggle. One party to this struggle has subscribed for more than 30 years to the proposition that "we cannot live in peace; in the end, one or the other will triumph—a funeral dirge will be sung over the Soviet Republic or over world capitalism." (Lenin—"Speech to Moscow Party Nuclei Secretaries," November 26, 1930.) The other party to this struggle, the free nations of the world, have subscribed to the fundamental belief set forth in the Charter of the United Nations that we are determined "to practice tolerance and live together in peace with one another as good neighbors."

In reliance on the pledged word of the great and small powers of the world, the Western Allies after the war against fascism disbanded the greatest aggregation of military might the world has ever known. The soldiers of the United States, the United Kingdom, Canada, France, and the other free nations gave up their swords for plowshares; their people turned to the rebuilding of the devastation of war, the creation of new peacetime industries, the development of colonial areas, the creation of peaceful wealth that all people might enjoy; these nations adapted military equipment to domestic uses, destroyed their great air and sea armadas, sold or gave away their war surpluses. While there were some who protested at our unseemly haste in casting aside military strength and embracing in its stead the promise of the United Nations; while there were some who remembered the treachery of the Soviet Union in 1939 when it signed a nonaggression pact with Hitler Germany and therefore urged caution; while there were others who took at face value the Communist warning that "the existence of the Soviet Republic side by side with imperialist states for a long time is unthinkable" and "one or the other must triumph in the end"; the vast majority of the people of the free world hoped for and expected a long era of peace and lent their voice to the clamor for disarmament.

In 1946 and 1947 the nations of the west disarmed. According to figures received by the joint committee, the Armed Forces of the United States, for example, fell from a peak strength in 1945 of 12,124,000 to a peacetime strength of 1,399,000 in 1948. During the same period the strength of the Soviet armed forces fell from 12,500,000 to 4,180,000. Thus by 1948, the Soviet Army was nearly four times as large as the Armed Forces of the United States.

UNITED STATES ARMED FORCES		SOVIET ARMED FORCES	
May 31, 1945.....	12, 124, 000	1945.....	12, 500, 000
June 30, 1946.....	3, 032, 000	January 1946.....	7, 000, 000
June 30, 1947.....	1, 583, 000	January 1947.....	4, 500, 000
Mar. 31, 1948.....	1, 399, 000	July 1948.....	4, 100, 000

But 1946 and 1947 were years of watchful waiting so far as the rulers of the Kremlin were concerned. There is no necessity of repeating here the roll of the Communist-inspired aggressions that

have taken place throughout the world since World War II. They speak for themselves. Every time a free nation has been drawn into the maw of Soviet control, its peoples have been withdrawn from intercourse with the free world. Their engulfment by the imperialism of the Communist has been followed by a pitiful flow of refugees who seek asylum in the free world just as the victims of fascism sought refuge in the democracies.

Suffice it to say that the free peoples, who now recognize the nature of communism and the threat it holds for the freedom of man, are now resolved to preserve the liberties they have earned and cherished since the birth of democracy.

4. THE OVER-ALL PLAN FOR THE DEFENSE OF THE FREE NATIONS

The free world does not believe it is inevitable that military force will actually have to be used in a general world war to defend its freedom. The free world does not know whether the Soviet Union will precipitate a third world war to seek definitive control of man. There is no evidence, however, of Communist repudiation of the proposition set forth by one of its leaders that "either the Soviet governments triumph in every advanced country in the world, or the most reactionary imperialism triumphs. * * * One or the other, there is no middle course." (Lenin—"Valuable Admission of Pitirim Sorokin.") The actions of the Soviet states since the end of World War II, however, have forced the free world as a matter of self-defense to fear the worst and prepare accordingly.

There seem but two possible ways that world war III may be avoided. First, war may be avoided if the Soviet Union chooses to follow a course based on the assumption that communism can survive in a world in which freemen may choose their own government. This course would involve honest acceptance by the Soviet Union, proved by deeds as well as words, of the principles of the United Nations. Secondly, war may be avoided if the free nations of the world can build up their defensive strength to the point where the Soviet Union would not dare launch an attack upon them.

Since the free nations have no assurance that the Soviet Union will choose to let freedom compete with communism, they are forced to seek peace by building their own strength so that the Soviet Union will not be willing to risk war to achieve its aims.

The free world has three avenues for building its defensive strength. Strength can be built by the free states individually; it can be built through regional organizations; and it can be built through the United Nations.

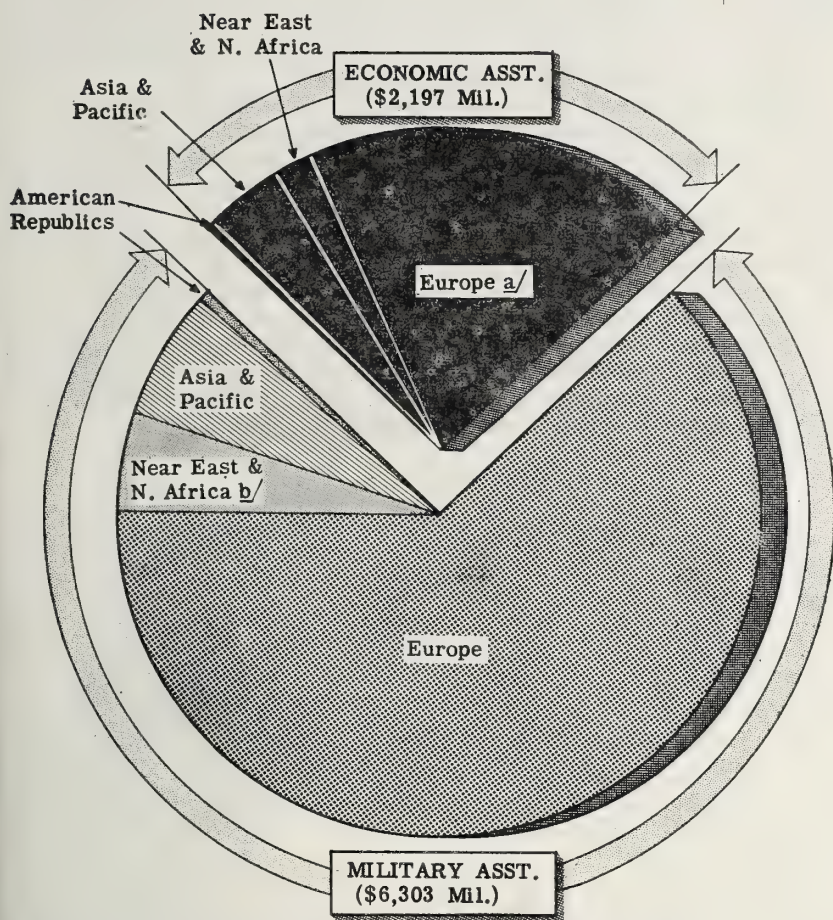
The bill before the Senate is concerned with the first two methods of building military defensive strength. By providing certain foreign countries with military assistance and economic aid in support of military production, the United States expects to increase the ability of the free world to meet aggression, and by so doing, the defenses of the United States itself will be strengthened.

Emphasis of program

The emphasis of the program is geared to the perilous times of today. The world picture has changed greatly since the Senate considered these programs last year. Overt aggression has taken place in Korea and the weakness of the west contrasted with the forces of

the iron-curtain countries has pointed up the need for a greatly accelerated rearmament program on the part of the North Atlantic community. The bulk of the foreign-aid program now before the Senate therefore consists of military assistance in end items and training. This is a drastic change from last year, when economic recovery was still the primary goal of our foreign-aid programs and was given clear priority over military assistance as well as the largest share of the total foreign-aid funds authorized by Congress. The present emphasis on military assistance is best illustrated by the following chart:

**PROPOSED FY 1952 MUTUAL SECURITY PROGRAM
FUND DISTRIBUTION
(\$8,500 Million)**



a/ Includes ECONOMIC assistance to Greece and Turkey.

b/ Includes MILITARY assistance to Greece and Turkey.

B. TITLE I—EUROPE

5. BUILDING DEFENSIVE STRENGTH IN WESTERN EUROPE

The President's request for the authorization of the expenditure of \$5,293,000,000 for military end-item and training assistance to the free nations of Western Europe, reduced to \$5,043,350,000 by the joint committee, is to be used primarily for the supplying of heavy and specialized military equipment for the use of military forces of the North Atlantic Treaty countries in Western Europe under the command of the Supreme Allied Commander, Europe, General Eisenhower. As a general proposition the recipient nations have largely achieved the ability to supply their own military soft goods, such as food, clothing, and quarters. They are also producing a growing portion of their hard goods requirements such as guns, ammunition, and transport. They cannot, however, produce at the present time all the requirements of their troops for such hard goods (notably the heavy and complicated equipment items), and therefore, most of the equipment to be purchased from these funds will be manufactured in the United States. Some \$400,000,000 of the amount will be used for transportation and for training purposes.

For security reasons it is not possible to indicate here the information which the joint committee received in executive session as to how the equipment procured with these funds is to be distributed among the other North Atlantic countries. The table which follows, however, indicates that all European countries, except Iceland, estimate that they will spend for defense purposes in fiscal year 1951-52 in the vicinity of \$8½ billion. It should be noted, in passing, that this amount, to be spent by our allies in Europe in their own currencies, will provide considerably more in defense build-up than would the same amount spent in dollars in the United States on our own Military Establishment, due to such factors as lower rates of pay for members of European armed forces. The table also indicates the estimated defense expenditures in each of the countries.

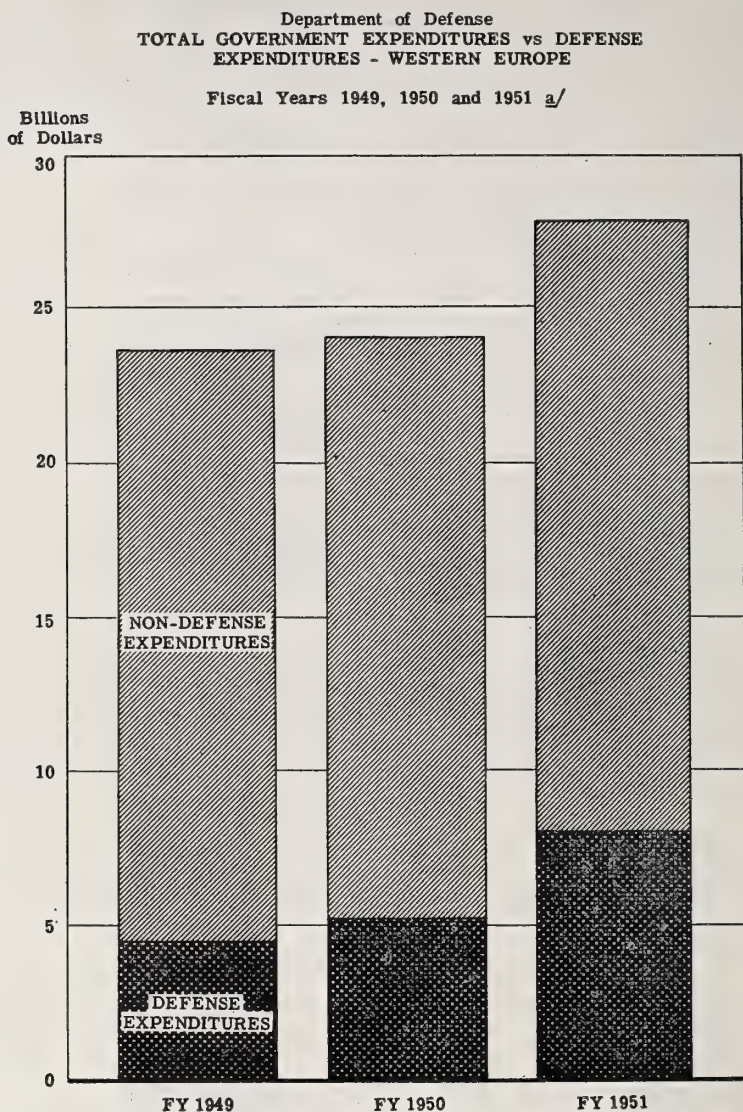
Total Government and defense expenditures and gross national product

[Millions of dollars; prewar in 1950-51 prices, postwar in current prices]

Country	Fiscal year begins	1938				1949				1950				1951			
		Total government expenditures	Defense expenditures	Gross national prod- uct	Percent, defense ex- penditures of gross national product	Total government expenditures	Defense expenditures	Gross national prod- uct	Percent, defense ex- penditures of gross national product	Total government expenditures	Defense expenditures	Gross national prod- uct	Percent, defense ex- penditures of gross national product	Total government expenditures	Defense expenditures	Gross national prod- uct	Percent, defense ex- penditures of gross national product
Belgium-Luxemburg	Jan. 1	1,157	165	6,316	2.6	1,636	159	6,368	2.5	1,633	174	6,595	2.6	1,636	280	6,877	4.1
Denmark	Apr. 1	228	24	2,619	.9	425	43	2,806	1.5	358	48	3,151	1.5	(¹)	94	3,500	2.7
France	Jan. 1	5,683	1,698	23,201	7.3	6,434	1,385	22,724	6.1	7,077	1,801	25,954	6.9	7,840	2,614	28,169	9.3
Italy	July 1	3,229	794	13,285	6.0	2,494	475	13,819	3.4	2,776	640	15,200	4.2	(¹)	915	16,016	5.7
Netherlands	Jan. 1	547	59	4,034	1.5	1,350	185	4,656	4.0	1,328	235	5,125	4.6	1,622	368	5,768	6.4
Norway	July 1	176	16	1,450	1.1	1,387	49	1,698	2.9	1,389	64	1,994	3.2	1,433	97	2,084	4.7
Portugal	Jan. 1	166	40	1,878	2.1	192	47	1,934	1.4	178	46	2,003	2.3	179	48	2,073	2.3
United Kingdom	Apr. 1	6,124	2,136	32,668	6.5	10,722	2,082	36,197	5.8	10,336	2,175	37,985	5.7	13,028	3,565	40,335	8.8
Total, Europe		17,310	4,932	85,461	5.8	23,640	4,426	90,202	4.9	24,075	5,183	98,007	5.3	(¹)	7,981	104,802	7.6
Canada	Apr. 1	999	59	9,096	.7	2,293	360	5,331	2.4	2,717	724	16,564	4.4	3,464	1,558	18,726	8.3
United States	July 1	17,574	2,111	171,800	1.2	40,156	13,200	261,304	5.1	44,600	22,200	303,500	7.5	68,400	46,600	330,000	14.1

¹ Not available.

The general ratio of the defense expenditures of Western European countries to the total government expenditures of those countries is shown by the chart which follows.



a/ For Fiscal Years beginning in captioned calendar years. 1951 Non-Defense expenditures for Denmark & Italy not available - 1950 expenditures substituted.

While it may seem that the contribution by the United States of more than \$5 billion to the defense of Europe when those countries are contributing only \$8½ billion themselves, means that the United States is carrying an undue proportion of the defense costs of Western Europe, two factors must be borne clearly in mind. The first is

that quite properly the European countries are supplying most of the men to defend their own homelands. Secondly, the countries of Western Europe have a much thinner economic base from which to support their defensive effort than does the United States. The Green subcommittee reported on this second factor as follows:

The scope and progress of the defensive effort in Europe

To assess the nature and extent of the progress Western Europe is making in building its defensive strength, the base from which Western Europe must start its effort must be borne in mind. Most of our partners in the North Atlantic Treaty, who did not even in the prewar years have a standard of living comparable to that in the United States, were devastated by war. Homes were destroyed, industrial plants gutted, railways ruined, war plants bombed, agricultural production impaired.

Standards of living.—The help which the United States has given through the Marshall plan has to a large extent made Europe whole again in the sense that production now exceeds prewar figures in most countries. Consumption expenditures in the United States are about 40 percent above the prewar level, whereas civilian consumption in most of Europe is very little above the prewar level.

The table which follows shows the difference in the consumption levels of the United States and Western Europe for certain basic commodities:

Annual consumption, pre-Korea

[Metric tons per 1,000 persons]

	United States	Western Europe
Fats and oils.....	32	18
Meat.....	69	32
Petroleum products.....	1,969	152
Crude steel.....	518	140
Copper.....	8	3
Newsprint.....	32	4

Another comparison between standards of living in the United States and Western Europe is afforded by a comparison of purchasing power in terms of labor productivity:

Working time required to earn selected food items in certain NATO countries as estimated by U. S. Bureau of Labor Statistics

Goods	Denmark	France	Italy	Netherlands	Norway	United Kingdom	United States
A. FOOD	<i>Hours/minutes</i>	<i>Hours/minutes</i>	<i>Hours/minutes</i>	<i>Hours/minutes</i>	<i>Hours/minutes</i>	<i>Hours/minutes</i>	<i>Hours/minutes</i>
1. White bread (kilogram).....	22	20	33	26	11	13	13
2. Milk (liter).....	10	21	24	14	10	16	08
3. Butter (kilogram).....	2:05	6:12	6:42	5:59	2:08	1:21	1:08
4. Margarine (kilogram).....	53	2:27		1:32	20	40	26
5. Cheese (kilogram).....	1:35	6:01	4:53	3:51	55	40	48
6. Eggs (dozen).....	1:01	1:36	1:42	2:08	1:15	1:06	22
7. Sugar (kilogram).....	09	55	1:35	51	18	20	09
8. Beef (kilogram).....			4:20	3:58	1:28		1:02
9. Veal (kilogram).....	1:06	2:25		3:16	1:04		1:37
10. Pork (kilogram).....	1:13	3:18	4:24	3:47	1:32		1:04
11. Chicken (kilogram).....	1:02						40
12. Potatoes (kilogram).....	04	20	18	09	07	07	04
13. Chocolate (kilogram).....	3:11					2:05	42
14. Tea (kilogram).....	5:30			9:45	6:58	2:49	1:59
15. Coffee (kilogram).....	2:05	5:50	8:55	4:44	1:24	2:25	1:13

To the extent that Western Europe turns from the production of civilian goods to the production of defense armament, to the extent that her manpower is diverted from civilian pursuits to nonproductive military training, the standard of living of her people will suffer. This is equally true in the United States, but the hard fact is that the United States will feel the pinch of large military expenditures much less than will most of our Atlantic Pact allies.

Defense budgets and taxation

One of the best evidences of European awareness of the Soviet threat is the size of the defense budgets of our pact partners. Defense expenditures of our allies are up 74 percent from the expenditures planned prior to the attack on Korea. While this does not come close to the 217-percent increase in the defense budget of the United States, it must be remembered that the defense slice for these Western European countries is from a smaller national product.

When one looks at the percentage of the gross national product going into defense budgets, estimates for the current year show that the figure will be approximately 8 percent in Western Europe as contrasted with 15 percent in the United States. Western Europe, with a per capita income about one-third of that of the United States, will contribute about one-half as large a proportion of its output for defense.

While the committee felt strongly that our partners should put as much as possible into their military budgets, it also recognized that there is a point beyond which certain countries cannot go without creating a situation which might invite domestic conditions, which in turn would open the way to the kind of Communist subversion that threatened parts of Western Europe in 1947.

6. DISTRIBUTION OF EUROPEAN DEFENSE FUNDS

The charts which follow show in a general way the proposed distribution of funds among the services and as between different types of military equipment. The charts are based upon the amounts requested by the Executive which have been reduced by 5 percent.

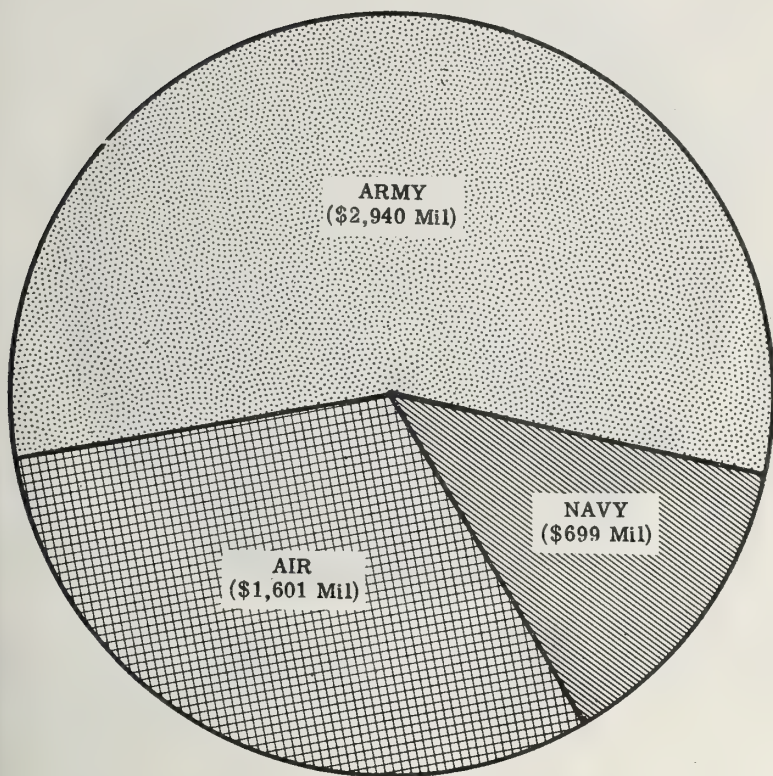
In connection with the distribution of military assistance among the nations of Western Europe, particular attention should be given to that part of section 101 (a) (1) which will permit the President to use not to exceed 10 percent of the \$5,043,350,000 for military assistance to any other country of Europe—

which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States * * *

This means that a total not to exceed approximately \$500,000,000 can be used to supply military assistance to such countries as Western Germany, Spain, and Yugoslavia. For reasons which are obvious, it would not be proper for the joint committee to indicate in this report what assistance, if any, should be distributed to these countries and if so, the way in which assistance might be distributed. This is a matter in which the President must have discretion to be exercised in the interest of the United States, bearing in mind military, political,

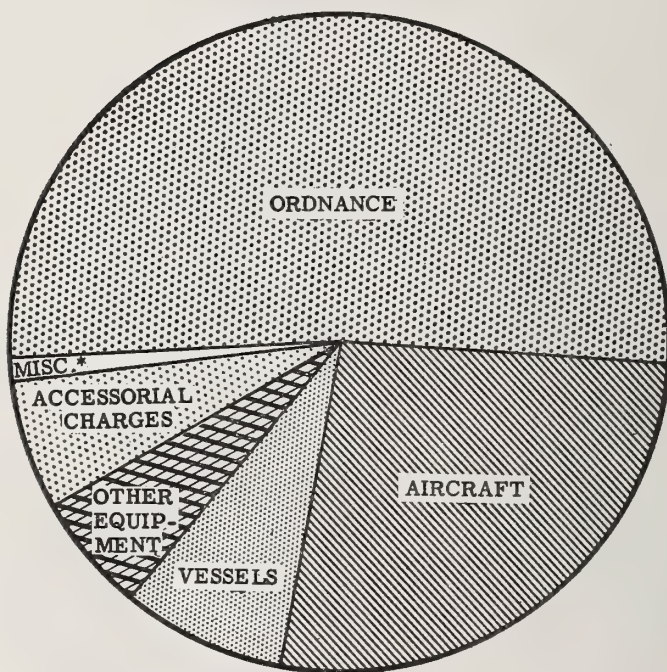
Department of Defense
PROPOSED FY 1952 MUTUAL SECURITY PROGRAM
MILITARY ASSISTANCE BY DEPARTMENT.

WESTERN EUROPE
(\$5,240 Million)



Department of Defense
 PROPOSED FY 1952 MUTUAL SECURITY PROGRAM
 MILITARY ASSISTANCE PLANNED FUND UTILIZATION

WESTERN EUROPE
 (\$5,240 Million)



ORDNANCE	\$2,708 Million
AIRCRAFT	\$1,425 Million
VESSELS	\$ 398 Million
OTHER	\$ 299 Million
ACCESSORIAL	\$ 338 Million
MISC.	\$ 72 Million

* Training, Repair of Excess., Depots etc.

and economic considerations as well as the will and ability of possible recipient nations to defend themselves and to contribute to the mutual strength of the area.

7. SIZE OF THE ARMED FORCES OF THE NORTH ATLANTIC AREA

When the Green subcommittee visited General Eisenhower in France this past July, it made special inquiries as to the size of existing armed forces in Western Europe, the projected rate of build-up, and plans for the next few years. The subcommittee reported as follows:

One of the matters that most concerned the subcommittee during its study of the strength of our Atlantic Pact allies was the rate of build-up of the forces in being in Western Europe as compared to the build-up in the United States. In June 1950 the United States had 10.7 men per 1,000 of population in uniform as contrasted with 10.8 per 1,000 in uniform in the Western European nations. Since Korea, however, the United States build-up has been much faster so that, as of June 1951, the United States ratio had gone to 22.8 men per 1,000 of population, whereas the European countries had a ratio of only 12.5 per 1,000.

The subcommittee learned of several reasons for this slower build-up in Western Europe. In the first place, equipment shortages have made it impracticable for some of these countries to call up men as rapidly as has been done in the United States. Secondly, rapid mobilization imposed on shaky domestic economies might very well throw some of these countries into an economic tailspin that would invite Communist subversion nearly as dangerous to the free world as military attack. Thirdly, figures on the number of men in uniform are to some extent misleading because European countries as a result of their geographical position have built their defenses around rapidly mobilized trained reserves. This means that figures on the number of men under arms in Western Europe do not show the complete picture.

According to United States officers at SHAPE, while the United States—

has increased the actual number of men in service by a substantially greater number than the European countries have, the result at the end of a year has been to achieve only an approximate temporary equality with its allies as to the numbers of trained manpower immediately available in the event of war.

While there has been some reluctance on the part of certain countries to increase the number of men in uniform, the table which follows indicate that substantial steps are being taken to increase the terms of service of conscripts.

Comparison of effective term of national service, and ratio of number of men in uniform per 1,000 of population, United States versus European NATO countries

	Effective term of national service				Number of men in uniform per 1,000 of population			
	1938 ¹	June 1, 1950	June 1, 1951	Increase since June 1, 1950	1938	June 1, 1950	June 1, 1951	Increase since June 1, 1950
United States.....	(²)	21	24	3	2.5	10.7	22.8	12.1
United Kingdom.....	(²)	18	24	6	8.9	13.6	15.2	1.6
France.....	12	12	18	6	17.8	15.1	17.8	2.7
Italy.....	18	12	15	3	20.0	5.8	³ 6.3	.5
Belgium.....	10	12	24	12	11.1	10.4	14.5	4.1
Luxemburg.....	None	6	12	6	None	3.3	7.0	3.7
Netherlands.....	5½ ²	12	16	4	10.7	6.2	9.8	3.6
Norway.....	4	8	12	4	5.5	9.2	10.4	1.2
Denmark.....	5	10	11	1	2.7	5.6	5.2	-.4
Portugal.....	17	16	16	0	8.2	10.6	10.7	.1
European average.....	9	12	16.5	4.5	14.0	10.8	12.5	1.7

¹ Source: Encyclopedia Britannica.

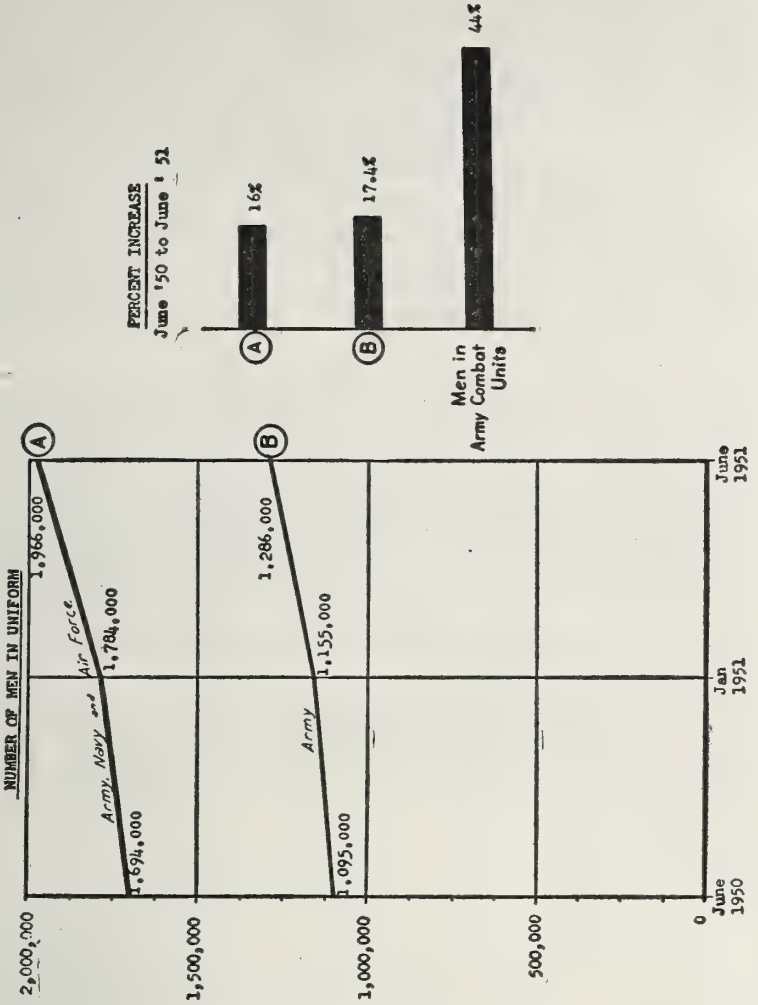
² Voluntary.

³ Limited to 6.4 by provisions of peace treaty.

In several of the countries of Western Europe, the shortage of trained noncommissioned officers and in France in particular the high losses among commissioned officers fighting against communism in Indochina, have slowed the rate at which men can be called to the colors. Steps are being taken to build cadres of men able to train conscripts. Furthermore, the training program now being carried on under the terms of the Mutual Defense Assistance Act in the United States, in Germany, and in the treaty countries is serving to build up groups of specialists that will be competent to train men in the use of specialized equipment that will soon be received from the United States.

The precise size and strength of NATO forces and the projected rate of their increase is, of course, a basic element in General Eisenhower's plans for the defense of Western Europe, and as such it should not be definitively set forth in public documents. The subcommittee, however, was shown the timetable of force build-up for each country visited and for the NATO forces as a whole, together with an explanation of the manner in which the proposed military aid for fiscal year 1952 is intended to complete the capital equipment of European forces which will be in being by the end of calendar year 1952. Taking the present strength of NATO ground forces as a basis, United States officers pointed out that participating European nations have engaged to increase the number of divisions available to General Eisenhower by 75 percent in 1952, an additional 40 percent in 1953, with subsequent increases on a lessening scale. In terms of men on active duty in General Eisenhower's ground forces, excluding units which would be mobilized in an emergency, the commitments have already been exceeded in a number of countries, and the percentage increase over June 1950 figures is 5½ percent by January 1951 and an additional 11 percent by June 1951. Men in "pay-off" combat units are increasing at a more rapid rate than total manpower in uniform. This figure has increased about 44 percent since June 1950.

MILITARY STRENGTH IN EUROPE
U.S. not included



It is difficult to summarize the projected increase in military aircraft and naval vessels, since the commitments are dependent, to a large extent, on deliveries from the United States and on expected European production. Generally speaking, European nations can meet and even exceed their present commitments if the aircraft and vessels can be made available.

While the sum of the force commitments does not yet entirely meet General Eisenhower's requirements, United States officers saw no reason to doubt that the full requirement can be met on the target date as the momentum of European rearmament develops.

In summary, when the subcommittee asked at SHAPE as to whether the officers in the Organization were satisfied with the present situation in which European ground forces have increased 20 percent while the United States ground forces have doubled, the answer was:

We certainly are not. We are devoting a great deal of our effort here to remedy this ratio. The program of United States military aid for fiscal year 1952 as now proposed has the same purpose. As things now stand, the rate at which expansion is possible is directly governed by the rate at which equipment can be delivered to the European armed forces.

The situation was summarized by American sources in Europe as follows:

* * * the United States, starting from a somewhat lower strength of manpower in uniform in June 1950, more than doubled its strength in a period of 1 year and is currently reaching a point where the expansion begins to level off. The European countries will achieve their expansion over a period of about 3½ years. The current year is their year of most rapid expansion—a 30-percent expansion being contemplated during this year. The limited budgetary and production potential of the European countries restricts the rate at which they can expand, and creates the necessity for American end-item aid if their forces are to be expanded and equipped as rapidly as the world situation requires. The European forces are now planned to level off at a strength in manpower on active duty in uniform just slightly in excess of that contemplated for the United States but they will have, in addition, organized reserve units providing between 100 and 200 percent of additional organized military forces available prior to * * * in the event of hostilities.

The subcommittee was impressed by the differences in cost in training and equipping an American soldier as compared with similar costs in equipping soldiers in other NATO countries. The information which follows was received by the subcommittee from sources in Western Europe:

Pay data—European NATO countries as of July 1, 1951

BASE PAY PER MONTH

	Conscript	Private	Master sergeant	Second lieutenant	Major
United States.....	\$75.00	\$82.50	\$198.45	\$213.75	\$384.75
United Kingdom.....	¹ 16.80 ² 21.00	35.70	111.30	73.50	184.80
France.....	³ 1.28	18.00	120.00	106.00	203.00
Italy.....	2.70	5.30	23.00	26.00	43.00
Belgium.....	¹ 6.00 ² 12.00	¹ 58.00 ² 75.60	¹ 115.20 ² 129.60	¹ 117.20 ² 129.20	¹ 273.20 ² 297.20
Netherlands.....	8.00	24.00	59.00	71.00	137.00
Norway.....	⁴ 6.30	⁴ 12.60	92.66	92.66	146.00
Denmark.....	7.61	7.61	41.26	54.24	79.77
Portugal.....	.51	1.53	56.66	75.51	156.25

ALLOWANCES PER MONTH

	Private	Master sergeant	Second lieutenant	Major
United States:				
With dependents.....	\$76.50	\$99.00	\$117.00	\$147.00
Without dependents.....	76.50	76.50	102.00	124.50
United Kingdom (with dependents).....	39.90	48.30	138.60	138.60
France ⁵	2.30	57.00	63.00	90.00
Belgium ⁵				
Netherlands ⁵ ⁶				
Norway ⁷				
Denmark.....	2.17	68.89	10.29	86.80
Portugal ⁵				

¹ Initial pay of the rank.² Pay of the rank increases to this limit in accordance with longevity.³ Conscripts receive \$51 bonus on enlistment for 2 years at end of conscript service.⁴ If married, gets extra monthly allowance of \$34.80 for wife and \$8.40 per child.⁵ No remuneration comparable with United States allowances.⁶ Approximately 10 percent base pay deducted if single person in occupancy Government quarters. Quarters not furnished married personnel. Conscripts with dependents receive family allowances up to maximum of \$53 per month.⁷ Averages 90 cents per day when on field or training duty.*Cost of equipping and maintaining a NATO soldier, July 1, 1951*

	Induction costs ¹	Annual maintenance cost ²	Average cost of individual weapons	Estimated cost of equipping ³	
				Infantry division	Armored division
United States.....	\$567.70	\$5,014.00	\$97.70	⁴ \$95,600,000	⁴ \$297,000,000
United Kingdom.....	(⁷)	⁵ ⁶ 686.56	46.50	(⁷)	(⁷)
France.....	203.00	932.00	65.00	⁸ 105,422,915	⁸ 289,901,543
Italy.....	264.00	563.00	59.00	20,843,000	76,798,000
Belgium.....	⁹ 166.00	⁵ 930.00	80.00	¹⁰ 92,000,000	¹⁰ 170,000,000
Netherlands.....	381.00	¹¹ 2,499.00	35.00	101,000,000	(¹²)
Norway.....	256.00	1,592.00	85.20	96,000,000	(¹²)
Denmark.....	202.00	836.00	¹³ 20.00	¹⁴ 20,000,000	(¹²)
Portugal.....	(⁷)	⁶ 161.20	35.00	85,000,000	(¹²)

¹ Includes uniform, personal equipment and other induction costs.² Includes pay, rations, housing, medical care, clothing and training costs.³ National price lists used for non-United States items, United States price lists used for United States items.⁴ Includes individual clothing and equipment and organizational equipment plus 1 year's spares.⁵ Excludes training costs.⁶ Excludes housing costs.⁷ Data not available.⁸ MAAAG estimate only.⁹ Cost of uniform and equipment only.¹⁰ Cost of equipment only. Does not include clothing, food, spare parts, pay, replacements or ammunition.¹¹ Cost of training 1 conscript for 1 year.¹² Not applicable.¹³ Low cost due to procurement from surplus stocks in Europe.¹⁴ Low cost due to lack of armor and self-propelled weapons.

National service data, July 1, 1951

	Induction age	Conscript term of service (months)	First line reserve (years)	Second line reserve (years)	Third line reserve (years)	Age at which liability ceases
United States ¹	18	24.....	{Maximum 3, voluntary. Minimum 0.....	Maximum 6.....	{None.....	26.
United Kingdom ²	18	24.....	3.5.....	Minimum 0..... Unlimited Z reserve.	None.....	Indefinite.
France.....	20	18.....	3.....	16.....	7.5.....	48.
Italy.....	21	15/28/14 ³	24.....	10.....	None.....	55. ⁴
Belgium.....	20	24.....	6.....	7.....	do.....	35.
Luxemburg.....	20	12.....	6.....	7.....	do.....	34.
Netherlands.....	20	16/21/24 ³	5.....	7.....	do.....	{35, privates. 40, NCO's.
Norway.....	19	12.....	13.....	12.....	do.....	45.
Denmark.....	20	11.....	3.....	6.....	11.....	40. ⁵
Portugal.....	20	16/28/16 ³	8.....	11.....	5.....	46.

¹ Required to serve for period equal to difference between 8 years and length of active military service. Reserve service period may be reduced by 3 years active participation in an accredited training program, or may be eliminated by 4 years active service.

² Reservists are released on consideration of age, condition, and service.

³ Army/Navy/Air Force.

⁴ General reserve from end conscript period until age 45; static reserve until age 55.

⁵ Liability ceases after 20 years service in reserve status.

8. MILITARY ASSISTANCE FOR GREECE AND TURKEY

Although the authorization of funds for military assistance to Greece, Turkey, and Iran is contained in title II of the pending legislation, these states standing on the border between Europe and the Middle East must be considered in connection with the building of defensive strength in Western Europe. This is, of course, especially true with respect to Greece and Turkey which are discussed here. Military assistance for Iran is discussed in a later section.

Greece was the first of the free nations to feel the impact of Kremlin-directed military force. Weakened by occupation during World War II, Greece was a natural target for Communist imperialism. It seems certain now that had it not been for American military and economic assistance extended first to Greece in 1947, that nation would today be under Communist control.

The assistance the United Nations has received in Korea, where Turkish and Greek troops have given an excellent account of themselves, is evidence not only of the good training these troops have received but also in a large sense of their appreciation of the value of the concept of collective security. Nations which are in effect "under the gun" of Communist imperialistic aggression are much more likely to see the importance of maintaining their own strength and building the strength of the free world than nations which are more remote from the threat.

The joint committee takes this opportunity to endorse the comment of the Green subcommittee with respect to the desirability of integrating the defense plans of Greece and Turkey with plans for the defense of Europe. The subcommittee reported as follows:

The subcommittee was concerned that neither Greece nor Turkey has yet been fully integrated into European plans for the defense of Europe. Both of those nations desire to become full-fledged partners in the North Atlantic Treaty, and their membership would undoubtedly increase the combined defensive strength of the member states. At the same time, of course, their admission to membership would increase the obligations of each of the other members.

The committee does not feel itself competent to make a definitive recommendation as to the method whereby Greece and Turkey might be brought into a more satisfactory working relationship with the North Atlantic group. It does believe, however, that there should be no delay in moving, either through the pact organization or by means of a Mediterranean pact, to bring Greece and Turkey fully into plans for an integrated defense, not only of the Mediterranean area, but also of the European area. Until such time as there is a clear understanding of the part Greece and Turkey should play in the event of aggression, the defenses of the free world are incomplete.

Turkey is a next-door neighbor to Russia. According to Ambassador Wadsworth, with whom the Green subcommittee conferred in Ankara, the proximity of the Soviet Union to Turkey "has necessitated maintaining [the Turkish] national defense forces at the highest possible standard * * *. In the last 10 years, for instance, their Ministry of National Defense has been allocated between 33 and 40 percent of the national budget every year."

The fact that Turkey has found it necessary for survival to maintain armed forces that impose such a heavy burden on the country is concrete evidence of the threat that Soviet imperialism carries for all free nations.

The military and economic assistance given to Greece and Turkey during the past few years by the United States has thwarted the aggressive designs of the Soviet on these states. This aid, in general, has been well used.

The American military mission in Turkey numbers over 1,200 men. During the last 4 years this group has assisted the Turkish armed forces in the modernization of their training procedures and their equipment. Funds to be made available under the program for next year will be devoted to additional modernization, particularly in the air force.

Funds to be made available to Greece for the next fiscal year will be used largely for modernization of the equipment of existing forces.

9. ECONOMIC ASSISTANCE TO WESTERN EUROPE

The Administrator for Economic Cooperation, Mr. Foster, indicated in his testimony before the joint committee that the job of the Marshall plan in Europe as originally contemplated was virtually complete. The Deputy Administrator, Mr. Bissell, testified that if the Western European countries had not found it essential to build up their defensive strength, the Economic Cooperation Administration would have requested \$672,000,000 for aid to Western Europe for this year, primarily to prevent serious economic deterioration such as would carry with it the threat of Communist internal subversion in countries of great strategic importance. That threat still continues undiminished. The difference between this amount and the \$1,675,000,000 requested is, according to witnesses, directly traceable to the additional need of Western European countries emphasized by the Korean aggression—the need to immediately and speedily increase their own military production. Aid for both purposes is essential to preserve and build up the strength necessary to defend Western Europe.

In order that the Senate might have before it a succinct statement of the steps taken under ECA auspices to increase military production in Western Europe, the joint committee asked the Economic Coopera-

tion Administration to furnish a statement on this subject. This statement follows:

AID FOR EUROPEAN MILITARY PRODUCTION

A. AID POLICY

The mutual security bill contemplates that in the future the United States will furnish two basic types of aid to Europe, military end-item aid and economic-support aid. Both of these types of aid are to be directly related to the defense efforts of the recipient countries. Inasmuch as all economic-support aid is intended to provide the basic economic strength essential to the undertaking of an adequate defense effort, it is no longer necessary or desirable to preserve a distinction between the segment of that aid which is to be utilized in direct support of military production, and the remaining segment which is designed to provide for the impact of an over-all rearmament effort on the general economy.

B. HISTORICAL BACKGROUND

The MDAP program was relatively small in size when it was first presented to Congress, in the summer of 1949. The primary emphasis of United States aid at that time was necessarily placed on the economic aid being furnished under the Marshall plan, which Europe required due to the chaotic internal conditions which existed as a result of World War II. It was obvious at that time that Europe should ultimately produce a large share of the armaments it would need to discourage or resist external aggression, but neither the United States Government nor the Europeans themselves were willing to sponsor a full-scale rearmament effort which might jeopardize the more immediate objective of establishing healthy economic conditions in the countries concerned. The Marshall plan, in the summer of 1949, had already shown remarkable signs of success, but its job was far from done, and the general economic situation, though hopeful, remained critical, and it was obvious that the most crucial months were ahead. The United States Congress expressed its philosophy in this matter by providing as follows, in the preamble of the MDA Act passed in September 1949: "The Congress recognizes that economic recovery is essential to international peace and security and must be given clear priority."

In view of the stated position of Congress, and the general atmosphere and conditions then existing in the United States and in Europe, the United States Government sponsored a very limited increase in the almost nonexistent military production of Europe. This came to be known as the additional military production program (AMP). Aid was furnished for this program in the form of machine tools, components, and materials requested by the European governments for specific industrial projects for the production of military end items. Because this type of production constituted a drain upon, rather than an advantage to the economies of the countries concerned, and could not be considered to be in direct furtherance of the overriding objective of economic recovery, the aid furnished under AMP, although essentially economic in nature, was financed out of the MDAP appropriation. The actual financing of procurement, however, was undertaken by ECA, as the materials furnished by the United States were identical in nature; although earmarked for a different purpose, to items financed under the ECA program.

Eighty-five million dollars of the original MDAP appropriation were tentatively earmarked for AMP purposes, but as of the end of fiscal year 1950 less than \$20 million of those funds had actually been obligated. There were various reasons why the program was so slow in getting under way. For one thing, the effective period of operation of MDAP during its first fiscal year was only 5 months, due to the statutory requirement for prior execution of bilateral agreements. Further, the novel techniques and procedures for development submission of projects involved complex administrative difficulties both for the United States and recipient governments. The primary reason, however, for the delay in action in 1949-50 was the lack of sense of real urgency among the free nations in facing the hard task of mobilizing an adequate defense against external aggression. This same philosophy was reflected in the originally contemplated size of MDAP during fiscal year 1951, and the AMP segment thereof, which at the time of initial congressional hearings was believed to require a maximum United States financial obligation of \$75 million.

C. BASIS FOR PRESENT POLICY OF ABANDONMENT OF AMP AS SEPARATE AID MECHANISM

The outbreak of hostilities in Korea abruptly changed the whole philosophy and sense of immediacy about the defense task faced by the free world, and of the manner and scope of the contribution which the United States should make to the common defense through the furnishing of military and economic assistance. By September of 1950, the original fiscal year 1951 MDAP request of little more than \$1 billion had been translated into an actual appropriation of approximately \$5½ billion. Of this amount, \$475 million was tentatively earmarked for direct support of armament production in Europe.

Korea and succeeding events similarly brought about a profound change in the basis for administering ECA aid. Although the European countries were still some distance from having achieved a sufficient measure of economic strength, the overriding purpose of all of such aid was changed to support the undertaking of an adequate defense effort. This change in the basic philosophy and objectives of aid eliminated any real possibility of distinction between types of economic aid which were in direct support of defense production (AMP), and which were in support of the other needs of the entire economy, in order to make possible the undertaking of other equally essential defense tasks, such as the raising and maintaining of large numbers of additional military forces.

The United States accordingly took all possible steps during fiscal year 1951 to insure a complete integration of all forms of economic assistance, despite the fact that the appropriated funds for such assistance were derived from two separate legislative sources which were only a year before considered to be wholly different, both as to objectives and methods of administration. The Marshall-plan countries were told in January 1951 that all further economic aid was to be directly related to the scope and adequacy of their defense efforts, and was not to be furnished on the basis of economic criteria no longer responsive to the needs of the world situation. The United States, during late 1950 and early 1951, engaged in a series of continuing bilateral negotiations with NATO countries in an effort to determine the total amount of economic aid required to support an adequate defense effort. Military production was an important factor in the determination of this requirement, but all other factors were taken into account at the same time in arriving at the total aid requirement.

Of the \$475 million tentatively earmarked out of the fiscal year 1951 MDAP appropriation for aiding European military production, \$180.5 million was obligated by the end of the fiscal year.¹ Of this amount, \$112 million went to the United Kingdom, \$43.8 million to France, \$5 million to Norway, \$0.5 million to Denmark, \$1 million to the Netherlands, and \$17.9 million to Italy. The aid to the United Kingdom was given for purposes of financing certain machine tools for the British military production program. The aid given to continental countries was in the form of needed dollar imports for direct military production, but this aid was included in the total allotment of economic-aid funds for those countries, arrived at as a result of the bilateral negotiations described above.

In view of the fact that the imports we had hitherto financed as AMP are exactly the same kinds of imports which we must furnish for other economic needs just as essential to defense, the aid for European military production is included in the total economic aid request for fiscal year 1952. This doesn't mean that our aid will be handled on a broad import program basis, bearing no relation to specific military production, as well as other essential defense undertakings. On the contrary, in view of the critical status of our own physical resources we will increasingly relate all economic aid to specific performance of military tasks, and the internal measures required if those tasks are to be accomplished. This means specific performance in raising and maintaining troops, in building and maintaining military facilities, in volume of defense production and in all other phases of rearmament. There can no longer be any specific compartmentalization, however, between the methods through which we attempt to reach our single objective—defense—and in keeping with this, the historic concept of AMP as a "special case" for justifying a specific contribution of United States resources has been logically abandoned.

The joint committee reduced the amount requested for economic assistance for Western Europe by about 30 percent, from

¹ Excludes \$29 million Yugoslav aid and the unobligated balance of approved AMP projects, all of which total as of June 30, 1951, \$231 million.

\$1,675,000,000 to \$1,130,500,000. It realizes that there may be some who will believe that what is called economic aid for Western Europe should be eliminated from this bill completely. The joint committee felt, however, that such action would impair the defensive efforts of our partners. Now that a larger part of their national effort is going into the production of military equipment and the maintenance of armed forces, there is less available to produce essential civilian goods and export products which must be exchanged with foreign countries to enable Western Europe to acquire essential raw materials. To the extent that we can help these countries meet the domestic impact of their rearmament, they will be able to increase their defense efforts:

C. TITLE II—NEAR EAST AND AFRICA

10. STRATEGIC IMPORTANCE OF AREA

Title II covers the area comprised of Egypt, Ethiopia, Greece, Iran, Iraq, Israel, Jordan, Lebanon, Liberia, Libya, Saudi Arabia, Syria, Turkey, and Yemen. (Greece and Turkey are dealt with under title I of this report as economic assistance for them is included therein. Military aid for these countries is authorized in the bill under title II.) This area is of great strategic importance. It contains some of the world's major air and sea lanes, is a highway and an access route between Asia and Africa, and possesses valuable strategic materials, especially petroleum. Because of these great assets the region, although a part of the free world, has been under constant Soviet pressure, notably propaganda, subversion, and guerrilla warfare.

The Soviet Union has made capital of the racial antagonism, the social unrest and the widespread poverty which prevails among the people of the Near East. In Iran, for example, the Soviet Union is now exploiting the prevailing poverty to spread doubts abroad and hostility toward the Western World without offering any constructive program with which to correct the basic needs of Iran.

11. UNITED STATES OBJECTIVES

The interest of the United States in this area is of long standing, as is testified to by such acts as the Greek-Turkish Aid Act. The objectives of United States foreign policy in this region as announced by the State Department are: First, discouragement of aggression; second, protection against subversion from within; third, strengthening the will of the people in this area to resist aggression and to encourage them in their efforts to achieve stability and progress; and fourth, removal of sources of dissidence and unrest.

12. MILITARY AID

As already noted, the Soviet pressure from the north is constant and uninterrupted. Russian efforts to bring the region under Soviet control are being aided in no small measure by the tensions between Israel and the Arab States and among the Arab States themselves. While the whole area is concerned militarywise, the situation in Iran is perhaps the gravest. The military assistance for that country recommended in this bill continues the program inaugurated 2 years

ago. It is designed to keep Iran in the ranks of the free world for the loss of that country to communism would constitute a break in the dam which now protects the Near East from communism. Such a break would menace the security of the entire free world, for it would involve serious implications strategically for Africa and Asia.

13. ECONOMIC AND TECHNICAL ASSISTANCE

In general the main problem of the people in the Near East is that of inadequate food, shelter, and clothing—the primary elements of existence, the lack of which causes disease, poverty, and unrest. The joint committee believes that the technical and economic assistance it recommends will help to correct these inadequacies particularly by supplying needed information and guidance for the improvement of health and the increased production of food. This covers technical aid particularly in the fields of public health, sanitation, and agriculture. It will be especially helpful to step up the production of food through the use of improved tools, better seeds, fertilizers, and improved methods of cultivation. In the main, technical assistance under title II is to be used for the following main purposes: joint commissions and surveys, agriculture, vocational education, health, industry and labor, transportation, mineral resources, water resources, and government administration.

In some cases the joint committee believes it will be necessary to make grants to the near-eastern governments; but the joint committee has been especially concerned to see that as much as possible of the assistance be in the form of loans without destroying the objectives sought.

14. TRANSFERABILITY OF FUNDS

Because of the changing conditions in the Near East it may be necessary to use the funds allocated to Greece, Turkey, and Iran in some of the other near-eastern countries. The joint committee provides for such an eventuality by stipulating that when the President determines that (1) the strategic location of one of the countries in the area is of direct importance to the defense of the Near East area, (2) assistance to such a country is of critical importance to the free world, and (3) the immediately increased ability of such a country to defend itself is important to the preservation of the peace and security of the area and to the United States, he may use up to 10 percent of the amount available under this title, excluding unexpended balances for military assistance to that country.

15. ARAB REFUGEES

One of the most vexing problems in the near eastern area is that of the Arab refugees from Palestine, displaced during and after the hostilities between Israel and the Arab states. These refugees constitute a source of potential unrest, which should be removed as rapidly as possible.

The desperate plight of these refugees was recognized by the United Nations late in 1948, and emergency relief operations were undertaken with support from the United States and other governments. In 1949 the United Nations Economic Survey Mission (the Clapp mis-

sion) was sent to the area to make recommendations looking to the restoration of economic stability. These recommendations resulted in the establishment of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) with the task of providing relief and work opportunities for the refugees. The United States appropriated \$27,450,000 last year for the work of this Agency, which operates entirely on voluntary governmental contributions. United States contributions have constituted somewhat less than 55 percent of the total United Nations programs of relief and rehabilitation in the Arab states through fiscal 1951.

During the past year, the number of refugees on relief has been reduced from a peak of over a million to approximately 875,000. No great progress has yet been made toward resettlement for a number of reasons, the principal of which are (1) the number of refugees was greatly underestimated and a major share of the resources of the agency had to go to direct relief rather than permanent resettlement measures; (2) during the latter part of this period the cost of supplies greatly increased; (3) countries were slow to make contributions to the program; (4) the refugees were apathetic to the resettlement program; and (5) the Arab nations were reluctant to accept the principle of resettlement. UNRWA, therefore, had to devote its limited resources largely to relief functions.

Greater progress is expected for the coming fiscal year inasmuch as the Arab states have now accepted, subject to certain reservations, the principle of resettlement, and the emphasis of the program will be shifted from direct relief to reintegration. UNRWA estimates that it will require a total amount of \$150,000,000 over the next 3 or 4 years to resettle the bulk of these refugees; amounts required for relief will depend upon the pace with which resettlement proceeds. The executive branch requested authority to utilize not to exceed \$50,000,000 from the total amount of economic aid in title II for the refugees. The size of this authorization was reduced by the joint committee to \$40,000,000 in the hope that the other funds required would be obtained from other United Nations members, which have already made pledges totaling around \$13,000,000.

The joint committee feels that this program is vitally important to the peace and security of the Near East. Failure to continue relief could only have very serious consequences. In approving this amount, the joint committee expresses its hope that the work of resettlement be vigorously pursued and that every effort be made to urge other members of the United Nations to support this program.

16. ISRAELI REFUGEES

The joint committee took special note, also, of the great difficulties arising from the unprecedented immigration to Israel. Before the committee was S. 1247, introduced by Senator Douglas and others, proposing \$150,000,000 of grant aid to Israel. On the basis of testimony by several Senators and on the basis of action taken by the House, the committee decided to authorize not to exceed \$40,000,000 from the total of economic aid authorized in title II for specific refugee relief and resettlement projects in Israel, a cut of \$10,000,000 from the amount authorized in the House bill. This proposal was not included in the President's program.

Since achieving independence in 1948, Israel has received 600,000 immigrants. Refugees are still arriving at the rate of 16,000 a month. The absorption of this tremendous influx of people has been Israel's greatest economic problem. The committee feels that the amount is justified to help this young and struggling nation solve this problem.

D. TITLE III—ASIA AND THE PACIFIC

The authorizations recommended under this title include funds for economic and technical assistance in Afghanistan, Burma, Ceylon, Formosa, India, Indonesia, Indochina, Korea, Nepal, Pakistan, the Philippine Islands, and Thailand, and for military programs in a number of them. Although Japan is included in this area, the estimates submitted by the executive branch do not contain any programs for that country.

This region is of great importance. Within its confines, exclusive of China, are over 30 percent of the world's population, many of its strategic resources and some of the most important ocean lines of communication. Ninety-five percent of the world's rubber, a large part of its tin, copra, beryllium, quinine, jute, tea, and many other products also come from this region.

17. COMMUNIST MENACE TO THE REGION

Since World War II large sections of this area, particularly China, have succumbed to communism and Soviet domination. The U. S. S. R. and its agents have busily stirred up strife and tension in order to extend Soviet control over the region. The forms of aggression visited upon the people and the area are many, particularly guerrilla warfare, subversion within the country, campaigns of propaganda, and aggression by satellites. The most flagrant case is the present North Korean aggression on South Korea. In addition, Communist activities hostile to the free world and to established far eastern governments are to be found in Indochina and in the Philippines. The ultimate Soviet object of all these activities is domination of the entire far eastern area.

18. BASIC UNITED STATES POLICIES

United States policies in this region are the creation of sufficient strength and military power in the countries of this area so that they will be able to resist Communist military aggression if and when it may occur. But resistance to military aggression is not enough. American policy also aims at United States cooperation with the present free governments in order to help them to create the means by which they may continue to be associated with the free world instead of falling prey to imperialistic communism. This requires encouragement of various kinds, mainly financial and technical, in order to enable these countries to solve some of the economic maladjustments and the unfortunate social conditions under which their people live. This is the principal underprivileged area of the world and therefore is especially susceptible to the blandishments of false Communist promises and propaganda. Satisfying of the more urgent basic needs of these people is therefore vital to the security

of the area and constitutes a fundamental part of American foreign policy.

19. MILITARY SITUATION

Almost every kind of military action may be seen in this area. A full-scale war is in progress in Korea between the United Nations forces and the North Korean and Chinese aggressors. In Indochina, Ho Chi Minh leads a powerful Viet Minh army supported by the Chinese Communist government and is fighting a civil war against the established local governments supported by the French.

In the Philippines, the Communist-inspired Huk guerrillas in certain areas are forcing the Government and the loyal citizenry to confine themselves largely to the cities. Communist guerrilla cells have been created in India and in Pakistan. The Government of Indonesia is experiencing difficulties in maintaining law and order. So are Malaya and Burma.

In the face of this condition, it is obvious that the military assistance for the area under title III must be based upon a series of unpredictables, and it will be necessary to make adjustments in the priority levels of the different countries in terms of the developments and upon short notice. So, too, with the priorities within each of the country programs.

The committee believes that its recommendation of \$535,250,000 for military assistance will permit the accomplishment of three specific objectives during the fiscal year 1952. These objectives were stated by the executive department as follows during the hearings:

(a) To furnish, on a priority basis, certain deficiencies in the equipment of the armed forces which, consistent with economic capabilities, are required to restore and/or maintain international security and discourage Communist encroachment in the area;

(b) To provide training necessary for the proper use and maintenance of equipment furnished under the fiscal year 1952 and earlier assistance programs; and

(c) To cover the cost of packing, handling, and transporting equipment to be delivered.

The training programs will supplement and make effective the providing of material as that phase of the assistance program develops.

20. THE ECONOMIC PROBLEM

The principal problem in the area has been the inability of the governments of the newly emancipated states to achieve the productive levels which they confidently expected to attain when World War II came to an end. This has caused resentment and disillusionment, producing discontent among large masses of the people. When combined with the new spirit of nationalism now abroad in the Far East and with the hostile pressures of communism, most of these countries are living under a constant threat of civil disturbance, if not actually war.

The people exist on such a low level that it is impossible for them to experiment with new crops or new methods in order to increase agricultural production or even to obtain food supply sufficient for their own consumption. The inadequacy of diet and the poor living conditions create great suffering and disease attended by a short life expectancy.

There is today in the Far East, a great need for technicians and administrative officials, and need also for a system of training which will produce this kind of personnel, if these countries are to develop stable governments and healthy economies.

A great many other problems also have flowed from World War II and its subsequent disorders in the area. Great destruction and economic disorganization has to be overcome in almost every land. Formosa presents an especially acute problem since the arrival of the Nationalist Army and a million or more refugees who fled China proper upon the defeat of the Nationalist Government. India has suffered from several natural disasters, while most of the other countries need financial assistance if they are to achieve economic stability. The joint committee considers the economic and technical assistance provided under this title for southeast Asia to be important. In some countries, for example, Formosa, Indochina, and the Philippines, it will furnish economic support for defense efforts. In all countries it will help provide essential public services in health, sanitation, agriculture, fisheries, and forestry; will improve the transportation and communication facilities of the region, especially highways, railways, ports, and inland waterways; and will help provide sounder public administration. In south Asia, the joint committee considers the most important assistance required to be of an agricultural extension nature, consisting chiefly of technical advice and assistance, although there will have to be some supplemental material aid in the form of fertilizer, tools, irrigation facilities, and agricultural development projects. The joint committee recommends \$178,750,000 for these purposes for the whole region in this title.

21. AID FOR KOREA

Although fighting is still in progress in Korea, it is hoped that hostilities can be brought to an end soon. The United States has the same objectives as those of the United Nations, namely, first, to repel aggression against the Republic of Korea; secondly, to establish a unified and independent Korea by peaceful means after aggression has been repelled; and third, to assist the Korean people to recover from the destruction caused by the war and to permit them to re-establish political and economic stability as a democratic nation.

The General Assembly of the United Nations has established the United Nations Korean Reconstruction Agency (UNKRA) assigning it the responsibility of providing relief and rehabilitation for Korea when hostilities come to an end. The United States has agreed, subject to congressional authorizations, to participate in this effort and to contribute an amount of approximately \$162 million for the first year of operation. Section 303 (a) of the bill authorizes not to exceed \$75,750,000 as the United States contribution for this purpose. Since there will be a substantial carry-over of unexpended funds already appropriated for economic assistance to Korea by ECA and from the pipeline of United States financed relief, it is believed that the authorization herein provided will be sufficient to meet the United States share in the United Nations program.

The bill also provides that up to 50 percent of the total authorization may, when determined by the President to be necessary for the purposes of the Mutual Security Program, be used for economic programs in other parts of the area.

One special problem requires attention in connection with Korea. At the outbreak of the war a number of Korean students and professors who were studying in the United States were left stranded here and have been unable to return to their home because of hostilities. Not only have they been cut off from all financial support from their homes, but some of them no longer have funds with which to return to their homeland even if they were permitted to do so. Section 302 (b) is designed to amend the China Area Aid Act of 1950 so as to permit the extension of the same additional benefits to Korean students that Congress has made available to selected Chinese students from unused ECA funds.

E. TITLE IV—AMERICAN REPUBLICS

22. MILITARY ASSISTANCE

The joint committee need not stress the importance of adequate defenses in the Western Hemisphere. Latin America is the major source of many strategic materials, including some 20 that are on the United States critical list. The area controls the approaches to the Panama Canal, the Magellan Strait, and other strategic areas. During World War II, the United States was obliged to employ over 100,000 troops to help guard vital installations and strategic areas in Central and South America. The purpose of the program contemplated under this title is to help our neighbors to the south to build up their defensive strength so that they can more effectively contribute to hemispheric defense, and measurably lighten the drain on our manpower.

Western Hemisphere cooperation for military defense, although not an entirely new concept in 1947, was given strong impetus that year with the approval of the Rio treaty. This treaty provides that an armed attack on one of the signatories will be regarded as an armed attack on all and assistance would be lent to the nation under attack. At the recent meeting of foreign ministers in Washington, the principle was carried a step further with a resolution entitled "Inter-American Military Cooperation" urging the American Republics to base their defense plans on the principle of collective defense of the hemisphere rather than national security alone. The foreign ministers also directed the Inter-American Defense Board to develop plans and measures for the common defense of the area, which is now being actively done.

The American Republics are fully committed to the idea of common defense. Their immediate ability to contribute to this effort, however, is limited. On the whole, their armies today are neither sufficiently well trained, nor effectively equipped to bear a substantial portion of the burden of hemispheric defense. Therefore, for the first time, military assistance on a grant basis has been proposed for the American Republics. The Mutual Defense Assistance Act of 1949, as amended, provided for the furnishing of military assistance on a reimbursable basis. The financial situation of these countries, nevertheless, is not such that they can afford to produce or purchase such materials on the necessary scale. Since the United States is the only significant producer of military equipment in the Western Hemisphere, the President proposed \$40,000,000 of military grant-aid for fiscal 1952,

which the joint committee endorsed after a 5-percent cut, bringing the amount down to \$38,150,000.

The proposed program falls within the terms of a common defense scheme being prepared by the Inter-American Defense Board, a scheme which specifies the defense responsibilities of the various countries. Military assistance will be furnished only in furtherance of defense plans which are important to the entire Western Hemisphere. As with military assistance heretofore given other countries, the bill requires the signing of an agreement prior to the furnishing of any assistance, and this agreement must specify that the assistance is only to be used for the common defense of the American Republics. The joint committee wishes to stress the underlying principle of this program—namely that assistance will be granted to countries only for the performance of specific tasks which otherwise we would have to perform. The joint committee is impressed with that approach.

23. TECHNICAL ASSISTANCE

Technical assistance activities in Latin America were initiated early during World War II. A program of scientific and cultural cooperation was authorized in 1939 by Public Law 355, Seventy-sixth Congress. This program was extended under the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.). A substantial program of technical assistance was initiated under the Coordinator of Inter-American Affairs and has been continued by the Institute of Inter-American Affairs (IIAA).

Under the Act for International Development these programs became a part of point 4. The Administrator of the Technical Cooperation Administration was given responsibility "to coordinate and direct existing and new technical cooperation programs." Both the Public Law 402, Eightieth Congress, technical assistance program and the program of the IIAA were continued and expanded during 1951 under the policy direction of the Administrator of the Technical Cooperation Administration (TCA). A total of \$11,300,000 was expended for technical assistance in Latin America during the year.

The economic problems of Latin America arise out of the fact that the majority of its people live in poverty, hunger, and ill health. Since this situation inevitably lends itself to social unrest and political instability it is in the security interests of the United States to help the American Republics improve their economic life. The program for 1952 will continue the cooperative projects now under way with some expansion in the agricultural work, particularly in the development of rural extension programs.

The technical assistance program is helping to create and develop the basic services which are prerequisite to economic development and to large-scale private investment. Large expenditures required for the actual development of the vast resources of the American Republics can be provided through private investments, loans and their own earning power. Nonmilitary aid to these countries, therefore, consists entirely of technical assistance programs.

The funds supplied by the United States for technical assistance were matched by the recipient countries on the average more than threefold. The Administration proposed to expand this program to \$22,000,000 for fiscal year 1952. While the joint committee endorses

the principles of the program, it reduced the amount to \$15,250,000 in keeping with the general cut which it recommends. This amount will still permit an expansion of last year's activities in Latin America.

The Department of State had projected its estimate for technical cooperation funds on the following proposed bilateral program.

Summary by function of projected United States bilateral programs of technical cooperation in the other American Republics, fiscal year 1952

	Technicians		Trainees		Grants and materials	Total cost to United States
	Number	Cost	Number	Cost		
1. Joint commissions and surveys.....	27	\$306, 450			\$73, 500	\$379, 950
2. Agriculture, forestry, and fishery.....	342	3, 881, 700	179	\$689, 290	2, 015, 895	6, 577, 795
Rubber development.....	37	419, 950			363, 254	783, 204
3. Education.....	117	1, 327, 950	80	304, 000	660, 000	2, 291, 950
4. Health and sanitation.....	200	2, 270, 000	100	380, 000	1, 850, 000	4, 500, 000
5. Industry and labor.....	13	147, 550	75	285, 000	12, 000	444, 550
6. Transportation.....	42	476, 700	55	209, 000	14, 915	700, 615
7. Mineral resources.....	49	556, 150	26	98, 800	157, 415	812, 365
8. Water power development.....	21	238, 350	30	114, 000	37, 100	389, 450
9. Government administration and services.....	53	601, 550	132	501, 600	16, 688	1, 119, 838
Total.....	901	10, 226, 350	677	2, 572, 690	5, 200, 767	17, 999, 717

In addition to the bilateral programs, the executive branch expected to make contributions to multilateral programs as indicated in the recapitulation that follows:

Bilateral technical cooperation.....	¹ \$18, 000, 000
Organization of American States.....	1, 000, 000
United Nations.....	3, 000, 000

Total technical assistance.....	22, 000, 000
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¹ \$17,999,717 rounded out.

Both the Organization of American States (OAS) and the United Nations have modest programs of technical assistance in Latin America. The OAS at present is concentrating on strengthening various institutions in Latin America by the establishment of training centers. The United Nations is doing work on problems better handled by world-wide rather than regional organizations, such as, for instance, overseas migration. Our Government has been and expects to continue supporting both these programs.

Finally, the future role of the Institute of Inter-American Affairs needs to be mentioned in connection with the technical assistance program. It will be recalled that last year Congress extended the life of the institute for five more years and authorized an appropriation of \$35,000,000 for that period. No separate funds for the institute under that authorization are requested by the President this year.

The following statement was supplied by the Department of State on the position of the institute under the proposed program:

STATUS OF THE AUTHORIZATION FOR APPROPRIATIONS CONTAINED
IN THE INSTITUTE OF INTER-AMERICAN AFFAIRS ACT AS AMENDED

The Institute of Inter-American Affairs was established as a Government corporation by the Institute of Inter-American Affairs Act, which was enacted as Public Law 369 of the Eightieth Congress, approved August 5, 1947.

This act was amended in 1949 by Public Law 283 of the Eighty-first Congress, section 2 of which reads as follows:

There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums, not to exceed \$35,000,000, as may from time to time be necessary to carry on the activities of the Institute during the period ending June 30, 1955, and the appropriations hereby authorized shall be in addition to appropriations pursuant to authorizations granted in Public Law 369, Eightieth Congress.

The General Appropriation Act for the fiscal year 1951 was the first act that made appropriations to the Institute under the authorization contained in Public Law 283. That act appropriated to the Institute \$5,000,000 (General Appropriation Act, 1951, approved September 6, 1950, ch. III, title I, under the heading, "The Institute of Inter-American Affairs," page 23 of pamphlet copy of the act), leaving an unused balance of authorization of \$30,000,000.

It is the administration's plan to seek appropriations for the total point 4 program, including the work of the institute, for the fiscal year 1952, under the authorization for appropriations that is contained in the proposed Mutual Security Act of 1951. The administration does not intend to ask for a separate appropriation to be made available directly to the institute. It follows, therefore, that no part of the unused \$30,000,000 authorization contained in Public Law 283 will be used this year. It is likely that the unused \$30,000,000 of authorization contained in Public Law 283 will never be called upon, and that all future appropriations for the point 4 program will be sought as single lump-sum appropriations to effectuate the Act for International Development.

The Act for International Development authorizes the transfer of parts of the appropriation to agencies of the Federal Government who are called upon to participate in the administration of the program—see particularly, sections 405, 412, and 416 (a). Separate appropriations were sought for the Institute of Inter-American Affairs in the fiscal year 1951 because the Act for International Development had not yet become law when the President's budget for the fiscal year 1951 was submitted to the Congress. For the fiscal year 1952, however, the administration has decided, as stated above, to seek a single appropriation for the entire point 4 program, including the work of IIAA, so that it becomes unnecessary to call upon any part of the unused authorization for appropriations to the institute contained in Public Law 283.

F. ADMINISTRATION OF THE PROGRAM

24. COORDINATION OF THE PROGRAM

Section 501 clearly fixes responsibility in the Executive Office of the President for the over-all coordination of the aid programs provided in this bill, and for the settlement of any interagency disputes that may arise in connection with this operation.

Administration of the military aspects of the program is lodged in the Secretary of Defense. Administration of economic assistance is left with the Economic Cooperation Administration. Technical assistance will be handled by the Technical Cooperation Administration in the Department of State and the Institute for Inter-American Affairs, a Government corporation.

The joint committee gave careful consideration to the provisions of the House bill for a single administering agency, as well as to the proposed amendment to the same general effect offered by Senator Smith of New Jersey and Senator Saltonstall.

In accepting the solution finally agreed upon, the joint committee was guided largely by the consideration that military programs should be administered by the Department of Defense. The joint committee believes, furthermore, that, under the Constitution, ultimate responsibility for effective operation of all aid programs must inevitably lie with the President. Accordingly it intends that the President shall have the authority and the responsibility for allocating funds within the limits of discretion of this section. The bill recognizes this constitutional principle by placing responsibility for coordination of foreign aid activities and for the resolution of conflicts among aid agencies directly in the Executive Office of the President.

The joint committee is not satisfied with the present coordination of our various foreign-aid programs by the International Security Affairs Committee (ISAC), an interagency committee headed by an official of the Department of State. The Green subcommittee stated in its report that it had found "evidence among field representatives of dissatisfaction with the multiheaded command in Washington."

The joint committee believes that many of the difficulties of the present organization lie in the fact that, in cases of interagency conflicts, the parties to the disputes are themselves represented on the board which is supposed to resolve the disputes. This fact reinforces the argument that over-all administration should be placed in the Executive Office of the President. It also led the joint committee to take a further step and to provide, in section 501 (a), that—

No person may serve in any office, or on any board established for the purpose of advising the President (on coordination of activities and resolution of interagency conflicts), while at the same time he is an officer or employee of any other department or agency of the Government.

It is the intent of this provision that no officer or representative of the Department of State, the Department of Defense, or the ECA shall be the officer or serve on the body in the Executive Office charged with coordination of, or responsibility for resolving conflicts among those agencies.

In accordance with the decision that the primary responsibility for the program must necessarily be borne by the President, the joint committee did not pass on the question whether the coordination should be carried out by a single official or by a board; neither did the joint committee consider the size of any organization that might be set up in the Executive Office to handle these matters. Under the terms of the bill, the President is free to deal with these problems as he desires.

25. THE SECRETARY OF DEFENSE

Responsibility for administering the purely military aspects of the program is clearly placed in the Defense Department in section 504. It is essential to the success of the program that these functions be administered by the Military Establishment. The provisions of the committee's bill in these respects have been concurred in by the Department of Defense, and by the executive branch, generally.

26. ECONOMIC COOPERATION ADMINISTRATION

The joint committee left the administration of economic assistance in the Economic Cooperation Administration, but provided for the abolition of that agency in 1952 and the transfer to other agencies of such of its powers and functions as are still necessary. Section 505 (c) directs the President to submit a reorganization plan to this effect by March 30, 1952. Under the terms of the Reorganization Act of 1949, this plan will become effective within 60 days after submission to Congress unless it is disapproved by a constitutional majority of either the House or Senate.

While the Economic Cooperation Act of 1948, as amended, provides that the Economic Cooperation Administration shall be terminated on June 30, 1952, the rearmament of the free world and the other military aspects of the Mutual Security Program can be accomplished only if Europe can enlarge and maintain its ability to support forces and other military defense needs without serious damage to its underlying economic strength. Another essential element is the ability of European nations and the United States to acquire, for their respective military production needs, the strategic and critical raw materials that can be made available from nations in the Far East, the Middle East, Africa, and Latin America. This country will be required to continue its efforts to stimulate the production of such raw materials, for without them military production will not be possible not only in Europe but will be hampered seriously even in our own country. With the Economic Cooperation Administration scheduled to go out of existence, some organizational structure may need to be available to administer those economic functions which directly support the military armament effort by preserving the economic strength without which no military build-up is possible. Section 505 (c), therefore, is intended to permit sufficient time for consideration of the form of organization through which such assistance should be administered. It makes possible the transfer of such economic-assistance activities to a successor to the Economic Cooperation Administration, which will be oriented directly toward supporting military rearmament and indigenous production efforts by providing for the transfer of these activities to some other agency, or agencies, of the Government, as appropriate.

27. ADMINISTRATION IN EUROPE

Inasmuch as approximately five-sixths of the military assistance authorized by the bill is intended for Western Europe, the material which follows will be helpful in understanding the problems involved in the administration of the program abroad. It is taken from the report of the Green subcommittee on the administration of military assistance in Europe and its relationship to the North Atlantic Treaty Organization.

To understand the relationship between the North Atlantic Treaty Organization and the United States program of military and economic assistance to Europe, one must go back to the North Atlantic Treaty. Article 3 provides that the parties "separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack." The United States Congress when it passed the Mutual Defense Assistance Act of 1949 specified that assistance to be furnished to North Atlantic Pact countries should "be used to promote an integrated defense of the

North Atlantic area and to facilitate the development of defense plans * * * under article 9 of the North Atlantic Treaty and to realize unified direction and effort."

The North Atlantic Treaty Organization (NATO) (see chart I) is the organization to provide the "unified direction and effort" for the development of "an integrated defense of the North Atlantic." It is an international organization and as such, officers who serve the Organization are part of an international contingent. Officers serving at the Eisenhower headquarters include Americans, British, French, Italians, Dutch, and others from various Treaty nations.

The North Atlantic Treaty Organization does not produce any equipment of its own, it does not raise troops, it has no power to compel any member state to make particular troops or equipment available to the international command. The Organization through its Defense Production Board seeks to stimulate defense production in the member states. Through its Financial and Economic Board it seeks to coordinate the financial and economic policies of the member states to the end that the economies of member states may be consistent with the integrated defense effort. The heart of the Organization, charts to the contrary notwithstanding, is the office of the Supreme Allied Commander, Europe, for it is here that forces placed at the disposal of the Organization are welded into a defense machine that gives hope that Europe may be defended if subject to aggression. It is here that morale is built, that national prides and prejudices are subordinated to the all-important task of building defensive strength; that inspiration and leadership is provided so that members will commit contingents of their armed forces to the command of General Eisenhower.

The command structure under General Eisenhower is rapidly being completed. The commander in chief, Allied forces, northern Europe, is Admiral Brind (United Kingdom), who has subordinate air, naval, and land forces under his command. In the south, Admiral Carney (United States) exercises command, and in the center of Europe, there is a land commander in chief, General Juin (French), an air commander in chief, General Norstad (United States), and a naval flag officer, Admiral Jaujard (French).

Distinct from the North Atlantic Treaty Organization and yet vital to its successful operation is the United States program for military assistance. The organization for the administration of this aid is made up of Americans. Through American channels military assistance is given to particular countries. Those countries are free to determine the extent to which they will commit such assistance to the command of General Eisenhower, except insofar as they have agreed in advance of the receipt of aid to use assistance "to promote an integrated defense of the North Atlantic area * * *." However, the informal relationship between the military-aid organization and the Eisenhower headquarters is so close that American military assistance is not likely to be forthcoming to particular countries unless and until the Supreme Allied Commander is satisfied that the country concerned has forces in being that are able to make effective use of the equipment supplied.

* * * Each country has a team (of American officials) to bring together the political, military, and economic factors that might influence recommendations as to the amount of aid to be given a particular country.

In determining the military and economic aid to be programmed, recommendations originate with the country teams, are then sent to the European Coordinating Committee for screening and evaluation in terms of the over-all program for the pact countries, and then go to Washington.

* * * The subcommittee did not have time to examine closely the administration of the military-aid program. It was able to formulate some general conclusions, however, as the result of conversations with individual participants in the program.

So far as NATO is concerned, the committee was greatly impressed with the esprit de corps that General Eisenhower has developed in the organization.

The subcommittee was also favorably impressed by the cooperation and teamwork that has been developed by the country teams, made up of United States officials representing the Department of State, the Department of Defense, and the Economic Cooperation Administration (ECA). At the country level there seems to be a clear division of responsibility as between the political, economic, and military advisers and an ability to formulate well-balanced programs for particular countries.

28. UNITED STATES REPRESENTATIVES ABROAD

The bill also leaves it up to the President, in section 502, to "prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the chief of the United States diplomatic mission."

It is the intent of this section that whatever procedures are prescribed will recognize that the State-Defense-ECA team, engaged in carrying out the Mutual Security Program in the recipient countries, is to be under the leadership of the chief of the diplomatic mission.

G. SPECIAL PROBLEMS

29. TECHNICAL ASSISTANCE

In title II and title III the joint committee has made combined authorizations to cover economic and technical aid under both the ECA and point 4 programs. In so doing the joint committee has been governed by six main considerations which it strongly feels should govern the administration of the funds provided. These principles are as follows:

(1) In countries in which the Economic Cooperation Administration is at present operating a mission, such operations may continue within the limit of funds authorized in the accompanying bill.

(2) In countries in which the Technical Cooperation Administration is at present operating a mission, such operations may continue within the limit of the funds authorized in the accompanying bill.

(3) Notwithstanding the conditions expressed in paragraphs (1) and (2), in no case shall both the Economic Cooperation Administration and the Technical Cooperation Administration maintain separate missions in the same country.

(4) The Economic Cooperation Administration may operate technical assistance projects in the countries in which they are at present operating a mission.

(5) The Technical Cooperation Administration, in order to carry out technical cooperation projects, may commence operations in countries in which they are not now operating.

(6) The Economic Cooperation Administration shall not establish a mission in any country in which it does not now maintain a mission, except in India and Pakistan, unless and until consultation shall have been held between appropriate officials of the Economic Cooperation Administration and the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House of Representatives.

It is also the sense of the joint committee that substantial grant-aid programs of the type administered by ECA in underdeveloped areas should be regarded as temporary, as contrasted with the longer range technical assistance type of programs. The joint committee feels that, as soon as the need for such substantial grant-aid programs ceases to exist in any country, the TCA should take over the administration of United States aid of the continuing technical assistance type in such country.

In countries in which ECA missions are operating and where programs are projected calling for sizable commodity import programs, it should be the policy, in the absence of compelling political consid-

erations to the contrary, for the ECA to provide loans rather than grant aid in all cases where the financial condition and the borrowing capacity of the country to be assisted is such as to justify such loan aid.

In expressing these views the joint committee is fully aware that a major problem of the underdeveloped areas is the great lack of capital for the development of their resources. These areas will require water supplies, power plants, swamp-drainage facilities, and many other kinds of capital projects, if they are to realize their potentialities. But they cannot undertake capital projects on their own. The average saving of a worker in the underdeveloped areas is only \$5 a year. Obviously this will not create the needed capital which must be sought abroad. On the other hand, only a small percentage of the national income of the United States is now going into foreign private investment. It is hoped that the technical assistance programs will stimulate the desires of these areas for the development of programs financed by international loans and private investment, matched on the part of the recipient countries by a willingness to undertake the necessary actions.

30. LOANS

The joint committee considered carefully the question as to whether it was advisable to stipulate in the legislation that a given proportion of the economic aid made available by this bill should be in the form of loans. It was called to the attention of the committee, that in view of the external financial position of the countries concerned, any loan contracts which might be exacted from these countries with few exceptions would give little prospect of repayment and would, in addition, tend to cast doubt on the soundness of presently outstanding foreign loans administered by the Export-Import Bank and the IBRD. In addition it should be taken into account that assistance in the form of loans does not generate counterpart funds. The committee wishes to emphasize its view that, where sound loans can be made and where there are no specific overriding political or economic considerations indicating that it would not be in the interest of the United States to do so, assistance should be given in the form of loans rather than grants.

H. CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no changes are proposed is shown in roman):

China Area Aid Act of 1950 (title II of the Foreign Economic Assistance Act of 1950, Public Law 535, 81st Cong.).

NATURE OF ASSISTANCE

SEC. 202. Funds, now unobligated or hereafter released from obligation, appropriated by section 12 of the Act entitled "An Act to amend the Economic Cooperation act of 1948", approved April 19, 1949 (Public Law 47, Eighty-first Congress), are hereby made available for furtherance of the general objectives of the China Aid Act of 1948 through June 30, 1951, and for carrying out the purposes of that Act through economic assistance in any place in China and in the general area of

China which the President deems to be not under Communist control, in such manner and on such terms and conditions as the President may determine, and references in the said Act to China shall, insofar as applicable, apply also to any other such place: *Provided*, That, so long as the President deems it practicable, not less than \$40,000,000 of such funds shall be available only for such assistance in areas in China (including Formosa): *Provided further*, That not more than \$8,000,000 of such funds (excluding the \$40,000,000 mentioned in the foregoing proviso) shall be available for relief on humanitarian grounds through the American Red Cross, or other voluntary relief agencies in any place in China suffering from the effects of natural calamity, under such safeguards as the President shall direct to assure nondiscriminatory distribution according to need and appropriate publicity as to source and scope of the assistance being furnished by the United States: *Provided further*, That not more than \$6,000,000 of such funds (excluding the amounts mentioned in the foregoing provisos), shall be available for allocation to the Secretary of State, to remain available until expended, under such regulations as the Secretary of State may prescribe, using private agencies to the maximum extent practicable, for necessary expenses of tuition, subsistence, transportation, and emergency medical care for selected citizens of China and of Korea for study or teaching in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purposes, or for research and related academic and technical activities in the United States, and the Attorney General is hereby authorized and directed to promulgate regulations providing that such selected citizens of China and of Korea who have been admitted for the purpose of study in the United States, shall be granted permission to accept employment upon application filed with the Commissioner of Immigration and Naturalization.

ECONOMIC COOPERATION ACT OF 1948, AS AMENDED (PUBLIC LAW 472,
80TH CONG.)

BILATERAL AND MULTILATERAL UNDERTAKINGS

SEC. 115. (a) * * *

(b) The provision of assistance under this title results from the multilateral pledges of the participating countries to use all their efforts to accomplish a joint recovery program based upon self-help and mutual cooperation as embodied in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, and is contingent upon continuous effort of the participating countries to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose. In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive assistance under this title. Such agreement shall provide for the adherence of such country to the purposes of this title and shall, where applicable, make appropriate provision, among others, for—

* * * * *

(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis: *Provided*, That the obligation to make such deposits may be waived, in the discretion of the Administrator, with respect to technical information or assistance furnished under section 111 (a) (3) of this title and with respect to ocean transportation furnished on United States flag vessels under section 111 of this title in an amount not exceeding the amount, as determined by the Administrator, by which the charges for such transportation exceed the cost of such transportation at world market rates: *Provided further*, That such special account, together with the unencumbered portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, 80th Cong.) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.) shall be used in furtherance of any central institution or other organization formed by two or more participating countries to further the purposes set forth in subsection (d) of section 111 or otherwise shall be held or used for purposes of internal monetary and financial stabilization, for the stimulation of productive activity

and the exploration for and development of new sources of wealth, *for the encouragement of emigration pursuant to subsection (e) of this section*, or for such other expenditures as may be consistent with the declaration of policy contained in section 102 and the purposes of this title, including local currency administrative and operating expenditures of the United States [within such country] incident to operations under this title: *Provided further*, That the use of such special account shall be subject to agreement between such country and the Administrator, who shall act in this connection after consultation with the National Advisory Council on International Monetary and Financial Problems and the Public Advisory Board provided for in section 107 (a): *And provided further*, That any unencumbered balance remaining in such account [on June 30, 1952] upon termination of assistance to such country under this Act, shall be disposed of within such country for such purposes as may, subject to approval by Act or joint resolution by the Congress, be agreed to between such country and the Government of the United States. *The Administrator shall exercise the power granted to him by this paragraph to make agreements with respect to the use of the funds deposited in the special accounts of the countries receiving assistance under the Mutual Defense Assistance Act of 1949, as amended, in such a manner that the equivalent of not less than \$500,000,000 of such funds shall be used exclusively for military production, construction, equipment, and materiel in such countries. The amount to be devoted from each such special account for such use shall be agreed upon by the Administrator and the country or countries concerned;*

* * * * *

MUTUAL DEFENSE ASSISTANCE ACT OF 1949, AS AMENDED (PUBLIC LAW 329, 81ST CONG.)

SEC. 408. (a) * * *

(e) (1) The President may, from time to time, in the interest of achieving standardization of military equipment and in order to provide procurement assistance without cost to the United States, transfer, or enter into contracts for the procurement for transfer of, equipment, materials or services to: (A) nations eligible for assistance under title I, II, or III of this Act, (B) a nation which has joined with the United States in a collective defense and regional arrangement, or (C) any other nation not eligible to join a collective defense and regional arrangement referred to in clause (B) above, but whose ability to defend itself or to participate in the defense of the area of which it is a part, is important to the security of the United States: *Provided*, That, prior to the transfer of any equipment, materials, or services to a nation under this clause (C), it shall provide the United States with assurance that such equipment, materials, or services are required for and will be used solely to maintain its internal security, its legitimate self-defense, or to permit it to participate in the defense of the area of which it is a part or in *United Nations collective security arrangements and measures*, and that it will not undertake any act of aggression against any other state: *Provided further*, That, in the case of any such transfer, the President shall forthwith notify the Committee on Foreign Relations of the Senate, the Committees on Armed Services of the Senate and of the House of Representatives, and the Committee on Foreign Affairs of the House of Representatives.

(2) Whenever equipment or material is transferred from the stocks of, or services are rendered by, any agency, to any nation as provided in paragraph (1) above, such nation shall first make available the fair value, as determined by the President, of such equipment, materials, or services. The fair value shall not be less for the various categories of equipment or materials than the "value" as defined in subsection (c) of section 403: *Provided*, That with respect to excess equipment or materials the fair value may not be determined to be less than the value specified in paragraph 1 of that subsection plus (a) 10 per centum of the original gross cost of such equipment or materials; (b) the scrap value; or (c) the market value, if ascertainable, whichever is the greater. Before a contract is entered into, such nation shall (A) provide the United States with a dependable undertaking to pay the full amount of such contract which will assure the United States against any loss on the contract, and (B) shall make funds available in such amounts and at such times as may be necessary to meet the payments required by the contract in advance of the time such payments are due, in addition to the estimated amount of any damages and costs that may accrue from the cancellation of such contract: *Provided*, That the total amount of outstanding contracts under this subsection, less the amounts which have been paid the United States by such nations, shall at no time exceed **[\$100,000,000] \$500,000,000.**

SEC. 403. (a) * * *

(d) Not to exceed \$450,000,000 worth of excess equipment and materials may be furnished under this Act or may hereafter be furnished under the Act of May 22, 1947, as amended: *Provided*, That during the fiscal year ending June 30, 1951, an additional \$250,000,000 worth of excess equipment and materials may be so furnished. *Provided*, That after June 30, 1950, *[such limitation shall be increased by \$250,000,000 and after June 30, 1951, by an additional \$150,000,000]*. For the purposes of this subsection, the worth of any excess equipment or materials means either the actual gross cost to the United States of that particular equipment or materials or the estimated gross cost to the United States of that particular equipment or materials obtained by multiplying the number of units of such particular equipment or materials by the average gross cost of each unit of that equipment or materials owned by the furnishing agency.

ACT FOR INTERNATIONAL DEVELOPMENT (PUBLIC LAW 535, 81ST CONG.)

SEC. 404. (a) * * *

(b) Within the limits of appropriations made available to carry out the purposes of this title, the President is authorized to make contributions to the United Nations for technical cooperation programs carried on by it and its related organizations which will contribute to accomplishing the purposes of this title as effectively as would participation in comparable programs on a bilateral basis. The President is further authorized to make contributions for technical cooperation programs carried on by the Organization of American States, its related organizations, and by other international organizations: *Provided*, That for the fiscal year ending June 30, 1952, such contributions from funds made available under authority of sections 101 (a) (2), 203, 302, and 402 of the Mutual Security Act of 1951 shall not exceed in the aggregate \$13,000,000, and the use of such contributions shall not be limited to the area covered by the section of the Act from which the funds are drawn.

[SEC. 414. No citizen or resident of the United States, whether or not now in the employ of the Government, may be employed or assigned to duties by the Government under this Act until such individual has been investigated by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State: *Provided*, however, That any present employee of the Government, pending the report as to such employee by the Federal Bureau of Investigation, may be employed or assigned to duties under this Act for the period of three months from the date of its enactment. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.]

SEC. 414. No citizen or resident of the United States, whether or not now in the employ of the Government, may be employed or assigned to duties by the Government under this Act for a period to exceed three months until such individual has been investigated by the Civil Service Commission and a report has been made to the Secretary of State: *Provided*, however, That in the event the Civil Service Commission discovers evidence of disloyalty or that the individual may be a security risk the matter will then be referred to the Federal Bureau of Investigation for a full field investigation: *Provided* further, That no such individual may be employed or assigned to duties by the Government under this Act until the Civil Service Commission has made a name check of the files of the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State: *Provided* further, That, prior to the receipt of a report of the Civil Service Commission, persons may be given temporary employment without acquiring any civil-service status, exclusively for purposes of job training within the United States not involving access to any classified information: *Provided* further, That any present employee of the Government, pending the report as to such employee by the Civil Service Commission, may be employed or assigned to duties under this Act for the period of three months from the date of its enactment. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

I. SECTION-BY-SECTION ANALYSIS AND COMMENT

When the administration submitted its program to the Congress its draft bill was accompanied by an analysis of the intent of the sections, as drafted. In those cases in which the language expressed

the intent of the joint committee and when the joint committee did not make any changes in the sections of the bill originally recommended, it has drawn upon the comments supplied by the executive branch.

Section 2. General purpose

This section declares it to be the purpose of the act "to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly nations," thereby strengthening the individual and collective defenses of the free world.

Section 101 (a). Military and economic assistance

This subsection authorizes the appropriation of funds to the President for the fiscal year 1952 in order to support the freedom of Europe, maintain economic stability in Europe, and encourage the economic unification and political federation of Europe.

(1) *For military assistance.*—Not to exceed \$5,043,000,000 is authorized to be appropriated for military assistance for use under the terms of the Mutual Defense Assistance Act of 1949, as amended. Assistance is to be for countries party to the North Atlantic Treaty and for any other country of Europe which the President determines is important to the defense of the area, except that not more than 10 percent of the sum appropriated under this authority may be used for such other countries, and except that military assistance for Greece and Turkey are covered in title II.

This paragraph authorizes the use of not to exceed \$100,000,000 of the sum authorized to form selected escapees from iron curtain countries into elements of military forces supporting the North Atlantic Treaty Organization. In adopting this provision the joint committee desires to make it clear that persons who might be formed into such units would do so only of their own free will and that this language is not designed to prescribe any particular way in which such units might be formed, either as national or as international units.

This paragraph also carries over unexpended balances of previous appropriations available under the Mutual Defense Assistance Act.

(2) *For economic assistance.*—This paragraph authorizes the appropriation of \$1,130,500,000 for economic assistance to European countries under the terms of the Economic Cooperation Act of 1948. These countries include Greece and Turkey, which are covered for military assistance in title II, as well as Western Germany and Trieste.

Assistance in furtherance of additional military production in Europe will be provided under this subsection. Section 104 of the Mutual Defense Assistance Act imposes limitations on the use of MDAA funds by forbidding their use (a) to construct or aid in the construction of foreign factories or to provide equipment (other than production equipment) for them; (b) to defray the cost of maintaining such factories; (c) to compensate any country or person for diminution in export trade resulting from the carrying out of any program of increased military production or to make any payment to the owner of any factory as an inducement to undertake or increase the production of military goods; (d) to pay any person for personal services rendered in any such factory other than personal services of a technical nature provided by United States employees in order to establish or

maintain production to effectuate the purposes of the act and in conformity with desired standards and specifications.

No similar set of prohibitions appears in the Economic Cooperation Act. Since the purposes of the latter act have been changed by the inclusion of the defense purposes of the new act, it will be possible for funds made available under provisions of the ECA Act to be expended for the objects which section 104 prohibits with respect to MDAA funds.

The paragraph also carries over unexpended balances of appropriations heretofore made under the Economic Cooperation Act.

Migration of surplus manpower.—Not to exceed \$10,000,000 of the funds available under this paragraph may be used to give effect to the purposes of section 115 (e) of the Economic Cooperation Act of 1948, as amended. That section reads as follows:

(e) The Administrator shall encourage arrangements among the participating countries in conjunction with the International Refugee Organization looking toward the largest practicable (sic) utilization of manpower available in any of the participating countries in furtherance of the accomplishment of the purposes of this title. The Administrator shall also encourage emigration from participating countries having permanent surplus manpower to areas, particularly underdeveloped and dependent areas, where such manpower can be effectively utilized.

H. R. 5113 as passed by the House provided that not to exceed \$30,000,000 may be used for this purpose. The joint committee understands, however, that \$10,000,000 will be sufficient for this purpose and amended the bill accordingly. Present plans contemplate an expenditure of about \$30,000,000 for the total program, of which approximately \$10,000,000 will be paid by the country of emigration, \$10,000,000 by the country of immigration, and \$10,000,000 by the United States in furtherance of the purposes of the above-quoted section of the Economic Cooperation Act.

The joint committee heard testimony to the effect that no funds for the purpose were included in the economic-aid estimate submitted by the executive branch. It is to be noted that the \$10,000,000 United States contribution is not mandatory but permissive.

Funds authorized under section 101 (a) (2) should be utilized in cooperation with the countries of Europe and other countries of immigration directly concerned with the movement of migrants. During its hearings the joint committee learned that, with the scheduled expiration of the International Refugee Organization on or before December 31, 1951, immediate action must be taken to keep its fleet of ships in operation, possibly through an interim organization, so that these facilities will be kept intact until more definite arrangements for the administration of a migration program can be made. In the light of the consideration now being given to this problem by various international organizations, the nature of the arrangements to be made for the effective operation of such a program to follow any necessary interim period is left open at this time.

The joint committee believes, however, that any such arrangements should preclude duplication of effort between international organizations, and be so developed as to provide that the establishment, direction, and operation of the program are placed under the control of countries which are directly concerned and contributing to the financial support of the program and which participate in the free international exchange of emigrants and immigrants.

Section 101 (b). Transferability between economic and military authorizations

This subsection authorizes the transfer by the President from the economic appropriations to the military appropriations, or vice versa, of not to exceed 5 percent of the total amounts appropriated pursuant to section 101. The purpose of this transferability provision is to provide limited flexibility to meet situations which cannot now be foreseen. It may be, for example, that under certain circumstances the maximum benefit to national defense of a given dollar made available to the Defense Department could be better realized if expended for support of the defense efforts of one of the NATO countries. If any transfer is made, the interested committees of the Congress are to be notified "forthwith."

Section 201. Military assistance to Greece, Turkey, and Iran

This section authorizes additional funds for military aid to Greece and Turkey under the original Greek-Turkish Aid Act. (Economic aid for these countries is contained in title I.) It also authorizes military assistance to Iran under the Mutual Defense Assistance Act. The total so authorized is \$396,250,000. With respect to all three countries, the formula is the same as that followed under title II of the Mutual Defense Assistance Act.

This section also continues the availability of unexpended balances from previous appropriations.

Section 202. Military aid to near eastern countries other than Greece, Turkey, and Iran

This section authorizes military assistance to countries of the Near East, other than Greece, Turkey, and Iran, whenever the President determines that such action is essential to carry out the purposes of the bill. The expression "Near East area" is used in order to include certain countries in Africa which are commonly thought of as part of the Near East. The amount of aid authorized is limited to 10 percent of the amount made available for military assistance to Greece, Turkey, and Iran for the fiscal year ending June 30, 1952, including any amounts that may be transferred into section 202 from other titles of the act. All assistance under authority of section 202 will be made available under the provisions of the Mutual Defense Assistance Act, and agreements would be required in accordance with the provisions of section 402 of that act, before any aid is made available.

Section 203. Technical and economic aid for Africa and the Near East

This section authorizes economic and technical assistance in the amount of \$122,500,000 for the independent countries of Africa and the Near East. Assistance of this kind to Turkey and Greece and the dependent territories of the European countries is covered by section 101 (a) (2). Assistance furnished under authority of this section will be rendered under the applicable provisions of the Economic Cooperation Act and of the Act for International Development.

Section 204. Arab refugees

The utilization of \$40,000,000 out of the economic and technical assistance funds is authorized under section 203 to carry out the purposes of the United Nations Palestine Refugee Aid Act, through

contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East in accordance with the provisions of that act. Should the President determine that these funds could be more effectively used for the same purpose in some other ways, he may allocate them to any agency of the United States Government for expenditure in aid of the Arab refugees, and funds so allocated will be considered as a contribution to the United Nations program.

Section 205. Israel refugees

This section allows the President to use not to exceed \$40,000,000 of the economic and technical assistance funds authorized under section 203 for specific refugee relief and resettlement projects in Israel under such terms and conditions as he may prescribe.

Section 301. Military assistance in the general area of China

This section authorizes an appropriation of not to exceed \$535,250,000 to the President for the fiscal year ending June 30, 1952, to carry out the provisions of section 303 (a) of the Mutual Defense Assistance Act.

The latter section authorized an appropriation to the President to be used to accomplish the policies and purposes of the Mutual Defense Assistance Act in the general area of China. These funds were in addition to funds otherwise provided as an emergency fund to the President. This authority, as was explained in the first report of the Senate Armed Services and Foreign Relations Committees, permits the expenditure of funds generally, without limiting such expenditure to the furnishing of military assistance.

Title III of the Mutual Defense Assistance Act not only contains authorization for assistance in the "general area of China" but also authorizes aid to the Republic of the Philippines and the Republic of Korea in a separate section. The authorization in this new proposal makes it clear that hereafter these two countries will receive aid as countries in the general area of China.

Section 303 (a) of the Mutual Defense Assistance Act contains a provision under which a certification by the President of the amounts expended for use in the general area of China, that it is in the security interests of the United States not to specify the nature of such expenditures, shall be deemed a sufficient voucher for the funds expended. In section 301 of this bill this special authority in the President is continued with respect to not to exceed \$50,000,000 of the funds newly appropriated pursuant to this act.

This section also authorizes the unexpended balance of the previous appropriations for carrying out the provisions of section 303 of the Mutual Defense Assistance Act to be continued available through June 30, 1952.

Section 302 (a). Authorized Amount for Economic and Technical Assistance in the General Area of China

This subsection authorizes an appropriation of not to exceed \$178,750,000 for economic and technical assistance in the general area of China, covering the same areas as section 301 except for Korea, which is covered by section 303. All assistance provided under this section will be rendered under the applicable provisions of the Economic Cooperation Act and of the Act for International Development. The residual funds made available for carrying out the China

Area Aid Act of 1950 are continued available for the purposes of this section 302. The effect of this carry-over is to continue the availability of funds originally appropriated for the China Aid Act of 1948 and funds transferred out of regular ECA appropriations for use in this area pursuant to chapter IX of the Second Supplemental Appropriations Act, 1951, Public Law 911, Eighty-first Congress.

Section 302 (b). Aid to Korean students

This subsection amends the China Area Aid Act of 1950 so as to extend to Korean students now stranded in the United States the same educational benefits which the Congress authorized 2 years ago to be made available out of unused Economic Cooperation Act funds to selected Chinese students (and in a few cases to professors) who were stranded in this country.

The need for such action is apparent. It should be pointed out, however, that the intention is to assist only those Korean students now in the United States who are well qualified, and who should be encouraged to complete their course of study and return to Korea to assist in the rehabilitation of that country. In view of the fact that it is possible for Korean students to return to Korea without falling into the hands of an unfriendly power, that the Government of the Republic of Korea is most desirous that its citizens return to Korea at the end of the period for which they came to the United States, and that use can be made of returning Koreans to assist in the rehabilitation of Korea, it is not the intention of this proposal to provide financial relief to all Korean students enrolled in accredited colleges and universities in the United States and who are in financial need. Rather, it is to provide assistance to those well-qualified persons who should be encouraged to complete their courses of study and who can make a greater contribution to the rehabilitation of Korea as a result of having completed their next immediate educational objective.

Section 303. Aid for Korea

(a) This subsection authorizes an appropriation for a United States contribution to the UN Korean Reconstruction Agency (UNKRA), which was established by the resolution of the General Assembly of December 1, 1950, to assist in Korean recovery and reconstruction. The United States has committed itself, subject to congressional authorization, to contribute \$162,500,000. This section provides for \$75,750,000 of new funds. In addition a substantial unobligated balance from previous appropriations for Korean aid will provide additional funds for this contribution.

The subsection also provides that up to 50 percent of the total authorization may, when determined by the President to be necessary for the purposes of the Mutual Security Program, be used for economic programs in other parts of the area.

The authorization for aid to Korea is substantially less than that devastated country will eventually need—and is not to be considered as a final assessment of those needs or the United States intent to contribute. But in the present state of war UNKRA will only operate to a limited extent as military conditions permit, and a partial contribution is all that needs be made at this time.

(b) This subsection specifies that the times of the contributions to UNKRA are to be determined by the President, taking into consideration the military situation in Korea. The arrangements for the

assumption of responsibility by UNKRA will be made between that agency and the UN Unified Command in Korea. During the period of active hostilities, relief and civilian supply operations in Korea have been the responsibility of the Unified Command, established by the United States pursuant to the UN Security Council resolution of July 7, 1950. These operations are being financed by the United States Department of Defense appropriations and by contributions from other members of the UN and nongovernmental organizations.

UNKRA will assume full responsibility for relief and rehabilitation operations only when the military situation permits relinquishment of this responsibility by the Unified Command. In the interim period, arrangements are being made whereby UNKRA will cooperate with the Unified Command and engage in such limited activities as the command may agree are feasible.

The President will exercise his authority to make contributions to UNKRA consistently with the agreements between the UN Agent General, the United Nations Commission for the Unification and Rehabilitation of Korea, and the Unified Command governing the commencement of operations by UNKRA. The contributions will be phased in time and amount to support the functions which the military situation permits UNKRA to undertake, as set forth in such agreements. Contributions of major amounts will be made only when agreement has been reached for UNKRA to assume full responsibility for relief and rehabilitation operations.

(c) This subsection authorizes United States employees to be made available for work with UNKRA and also authorizes United States governmental agencies to accept funds, made available under this section, to help in the reconstruction operations.

(d) This subsection is required because the Economic Cooperation Act, which has been made applicable to aid to Korea, provides that balances of local currency counterpart funds remaining when the ECA operations terminate shall be disposed of in accordance with congressional direction (sec. 115 (b) (6) of the Economic Cooperation Act). This subsection is intended to provide such congressional direction and authorizes release of these counterpart funds for purposes consistent with the UN assistance programs, in accordance with agreements between the United States and Korea.

(e) This subsection is required because certain functions which were given to the Economic Cooperation Administrator under the Far Eastern Economic Assistance Act of 1950 will no longer be performed by him. This subsection authorizes the President to relieve him of such duties, and to give them to any other appropriate agency of the Government.

Section 401. Military assistance for American Republics

For furnishing of military assistance to the American Republics, there are authorized \$38,150,000 under the following provisions: Assistance may only be furnished in accordance with defense plans which, the President finds, require the recipient country to participate in missions important to the defense of the Western Hemisphere; bilateral agreements, assuring that the aid given will promote the defense of the Western Hemisphere, must be signed as required by section 402 of the Mutual Defense Assistance Act of 1949; and military assistance can be furnished only in accordance with this bilateral agreement.

Section 402. Technical assistance for American Republics

This section authorizes \$15,250,000 to be appropriated for technical assistance under the provisions of the Act for International Development and the Institute of Inter-American Affairs Act, as amended.

Section 501. Coordination of activities in United States

Subsection (a) places responsibility in the Executive Office of the President for the coordination of the activities of, and the resolution of conflicts among, the various departments and agencies of the Government exercising functions under the act. The subsection makes it clear that no officer or representative of the Department of State, the Department of Defense, or ECA shall be the officer or serve on the body in the Executive Office charged with performing these functions.

Subsection (b) authorizes the President to use, for the purposes of subsection (a), the positions authorized by section 406 (e) of the Mutual Defense Assistance Act of 1949, as amended. This section provides for the employment of one person at a salary of \$16,000 a year and three persons at \$15,000 a year each, subject to Senate confirmation.

Section 502. Coordination of activities abroad

This section directs the President to prescribe procedures for the coordination of the activities of representatives of the United States in foreign countries. It makes it clear that the State-Defense-ECA team responsible for carrying out the foreign aid program is to operate under the leadership of the chief of the diplomatic mission in each country.

Section 503. Eligibility for assistance

This section is intended to insure that any type of assistance given pursuant to authority proposed by the bill shall contribute to the security of the United States and shall be based on the principle of mutuality of effort.

Section 503 (a). For military purposes

This subsection requires that no military, economic, or technical assistance which is intended to further military effort shall be granted unless there is a finding by the President that the supplying of such assistance will strengthen the security of the United States, and unless the recipient country agrees or has previously agreed to commitments along the lines set out in this subsection. These conditions are not required in the case of aid which is being furnished on a reimbursable basis under the provisions of section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended. Generally speaking, this subsection extends to any assistance furnished pursuant to authority intended to be conferred by this bill the same conditions as have heretofore been required as to assistance under the Mutual Defense Assistance Act.

Section 503 (b). Economic and technical assistance

This subsection requires that no economic or technical assistance may be supplied to any nation unless the supplying of such assistance will actually strengthen the security of the United States and promote world peace. This subsection requires that the recipient country has agreed to join in promoting international understanding and good will and maintaining world peace, and to take such action as

may be mutually agreed upon to eliminate causes of international tension. The arrangements contemplated under this subsection do not, however, require specific obligations to increase military efforts, as is the case under the preceding subsection.

Section 504. Responsibilities of Secretary of Defense

This section makes it clear that in administering military assistance and technical assistance related to military items, the Secretary of Defense shall have primary responsibility and authority in six fields, which are named as follows: (a) The determination of military end-item requirements; (b) the procurement of military equipment in a manner which permits its integration with service programs; (c) establishment of priorities in procurement and deliveries; the allocation of military equipment and the apportionment of funds between the services and countries within each area specified in the act; (d) the supervision of end-item use by the recipient countries; (e) the supervision of the training of foreign military personnel; and (f) the movement and delivery of military end items.

Section 505. Termination of assistance

This section provides for the termination of military and economic assistance by providing methods by which the authority conferred by the constituent acts shall be terminated. The termination date is June 30, 1954, unless sooner fixed by concurrent resolution of the Congress.

Section 505 (a). Assistance under the Mutual Defense Assistance Act

This subsection provides that no authority conferred by the Mutual Defense Assistance Act may be exercised after June 30, 1954, except to complete shipment and delivery of previously authorized equipment and materials and related services, and to wind up operations under the act. The period of availability for obligation of any funds previously authorized for assistance under the Mutual Defense Assistance Act are continued available for obligation for 12 months after the termination date to assist in winding up operations.

Section 505 (b). Liquidation of Mutual Defense Assistance Act

This subsection authorizes the President, during the 12 months following June 30, 1954, to transfer for the purposes of liquidation, the powers, duties, and authorities conferred by the Mutual Defense Assistance Act to such other establishments of the Government as he shall specify.

Section 505 (c). Functions of the ECA

This subsection provides for the liquidation of the Economic Cooperation Administration. It directs the President to submit to Congress, on or before March 30, 1952, a reorganization plan under the Reorganization Act of 1949 abolishing the ECA and transferring such of its powers and functions as are necessary to carry out this act to such other agency, or agencies, as he deems appropriate. As noted in the comment in the section of this report on administration this provision is intended to make possible the transfer of economic assistance activities to a successor to the Economic Cooperation Administration. The transferred powers shall continue until July 1, 1954, unless terminated earlier by concurrent resolution of Congress. At that time, the operations under that act shall be brought to an

end by the agencies to which they were transferred in accordance with section 122 of the Economic Cooperation Act of 1948, as amended. (This section of the ECA Act provides for liquidation over a 12-month period in a manner similar to that provided in sections 505 (a) and (b) above.)

Section 506. Termination of assistance by the President

In addition to the provisions of the preceding section which look toward the termination of the constituent programs, authority is provided in this section whereby the President may terminate assistance furnished pursuant to authority conferred by the Mutual Security Act of 1951. The provisions of this section are identical to those provisions already contained in section 405 of the Mutual Defense Assistance Act of 1949, as amended.

Section 507. Effective date

This section provides that all provisions of the act, excepting Section 503, shall take effect on the date of enactment of the act. Section 503 deals with matters that must have been agreed to by recipient nations prior to receiving any assistance authorized under this act. In any case, where a nation has not already agreed to conditions of the kind indicated in section 503, time will be required for the necessary negotiations. Therefore section 503 does not become effective until 90 days after date of enactment.

Section 508. Transferability of funds

This section authorizes the President to transfer from one title to another not to exceed 10 percent of the funds made available under the title from which the transfer is made. In the event that funds are so transferred from one title to another title, they must be utilized to furnish of the same kind to a different area assistance of the kind for which such funds were available before transfer. This section requires prompt reports of such transfers to appropriate committees of the Congress.

Section 509. Development of strategic materials

The development of additional sources of strategic materials is of major importance to the security of the United States. The Economic Cooperation Act of 1948 contains specific provision for obtaining materials in which the United States is deficient, and the significance of expanding the production of strategic materials was recognized in the Act for International Development.

This section of the bill authorizes the use of not to exceed \$55 million of the funds appropriated pursuant to section 101 (a) (2) of the bill for the development of strategic materials, pursuant to the authority contained in the Economic Cooperation Act of 1948.

Section 510. Utilization of patents and technical information

(a) *Definitions.*—The two paragraphs of this subsection are self-explanatory.

(b) *Privately owned patents and information.*—This subsection relates to the use of patents and technical information used in furtherance of the Mutual Security Program without prior authorization by the owners or originators. There are certain factual and legal uncertainties surrounding the right and authority of the Government to disclose certain of the technical information and know-how available

in Government files. These uncertainties arise from the question of the property rights of the originators and owners. In order to remove any delay which might be occasioned by these uncertainties and to assure just compensation to the owners of inventions or information utilized in the Mutual Security Program, this subsection provides a forum in which title may be adjudicated and in which value may be established. The wording of the subsection makes it clear that the procedures which are authorized by the subsection are available only insofar as the activities concerned form a part of the Mutual Security Program.

(c) *Settlement by negotiation.*—This subsection authorizes the appropriate Government department or agency which has furnished any assistance in furtherance of the purposes of the bill to enter into agreement with the claimant in full settlement and compromise of any claim against the United States hereunder.

(d) *Period of limitation.*—Existing law provides a 6-year period of limitation on suits of the type herein under consideration. This subsection provides that such 6-year period may be extended by the period during which a claim for unauthorized use, filed as contemplated in the preceding subsection, is being considered by a Government agency, unless suit is brought on the claim before decision by the Government agency.

Section 511. Semiannual reports to Congress

The wording of this section is self-explanatory. It requires the President to transmit to the Congress semiannual reports of operations conducted in furtherance of the purpose of the proposed legislation.

Section 512 (a). Purchase of local currency in areas covered by titles II and III

This subsection would permit the utilization of not to exceed \$10 million for title II countries, and not to exceed \$25 million for title III countries, to be utilized from appropriated funds to acquire local currency needed to meet local currency requirements of the aid programs in the areas covered by those titles. In most cases it will be possible to make advances of dollars out of aid allotments in return for local currency, with the agreement that the country will subsequently use an equivalent amount of dollars to pay for goods or services scheduled under the United States aid program in the country. Such advances will be made on a short-term basis and the amounts received in reimbursement credited to the appropriation used. Where determined to be necessary for the success of a country program, the outright purchase of local currency may be resorted to.

Section 512 (b). For strategic materials development

This subsection makes additional provision for the development of the production of deficiency materials by permitting funds authorized for economic assistance to be used to obtain local currency for the specific purpose of increasing the production of materials in which the United States is deficient. In view of the fact that in many of the countries where strategic materials are located, balances in the 5-percent local currency accounts owned by the United States are limited, and inasmuch as much of this development work involves local currency rather than dollars, the provisions of this subsection will facilitate the program of development of strategic materials.

Section 513. Extending the scope of guaranties

This section extends to any area in which assistance is authorized under the Economic Cooperation Act, the investment guaranty program of the Economic Cooperation Act which is financed out of public-debt funds and limited to the Marshall plan countries, including their overseas dependencies. Such guaranties to private investment are limited by the Economic Cooperation Act to not more than \$200 million, of which amount only about \$30 million has been arranged.

Section 514. Administrative funds

This section provides that all funds needed to cover administrative expenses incident to furnishing assistance under the Mutual Security Act shall be drawn out of appropriations made under title I. This principle has already been approved by the Congress in the Mutual Defense Assistance Act.

This section also permits the use of title I funds for paying the expenses of United States participation in the North Atlantic Treaty Organization and includes the United States contribution to expenses of the Supreme Headquarters of the Allied Powers in Europe, the United States portion of the expenses of the several boards of the North Atlantic Treaty Organization, and other expenses necessary or incident to effective United States participation in the North Atlantic Treaty Organization, and other international security organizations. It also authorizes the use of these funds for expenses of domestic programs being carried out under the Act for International Development. Such programs are related to technical assistance being furnished to foreign governments but carried out in the United States in Government agencies or in institutions such as colleges and universities.

This section also authorizes any local currency received by the United States for its own use in return for assistance furnished by it, to be used for administrative and operative expenses of all agencies participating in the furnishing of assistance under the accompanying bill without reimbursement from appropriations available to those agencies.

Section 515. Amendments to section 115 (b) (6) of the Economic Cooperation Act of 1948

This section amends section 115 (b) (6) of the Economic Cooperation Act in five separate particulars:

(a) *Encouragement of emigration.*—This subsection would amend the second proviso of section 115 (b) (6) by authorizing counterpart funds to be utilized for the encouragement of emigration.

(b) *Utilization of local currency counterpart to pay operating as well as administrative expenses.*—This subsection would permit the use of counterpart funds to pay local currency operating expenses as well as purely administrative expenses of the United States incident to operations under the Economic Cooperation Act. This has application to the 5-percent portion of the counterpart deposit which is owned by the United States. There are a number of local currency expenses incident to operating of technical assistance and other programs which are not strictly administrative in kind but which must be met out of the 5-percent account in order to operate the programs effectively. As an example, the value of certain forms of technical

assistance must be demonstrated in some countries before they appreciate the advantage of using their own funds for such assistance. The best way to further the program is to carry out demonstration projects, which, through their own effectiveness, prove the value of technical help of the kind demonstrated. It is not intended to permit the use of the 5-percent fund for payments for such purposes as supplying regularly scheduled program goods and services, or providing additional productive, plant, or other facilities, inasmuch as such expenses are not considered to be operating expenses.

(c) *Use of counterpart outside the country of origin.*—This subsection would permit the use of 5 percent local currency counterpart for expenditures outside the country of origin. This could be accomplished by conversion into the currencies of other countries where local currency is needed for United States programs.

(d) *Termination date for provision requiring congressional action on counterpart disposition.*—This subsection would preserve beyond June 30, 1952, the powers of the ECA Administrator with respect to counterpart funds. Under section 505 (c) of this bill, his other powers are continued beyond that date, and the President is authorized to transfer them to another agency. The counterpart powers should be similarly treated.

(e) *Use of counterpart funds for military purposes.*—This subsection provides that not less than \$500 million equivalent of the counterpart funds now or hereafter deposited in the special accounts set up under section 115 (b) (6) of the Economic Cooperation Act against aid previously furnished or authorized by this bill should be used exclusively for military production, construction, equipment, or matériel in countries receiving assistance under the Mutual Defense Assistance Act. In each case the amount to be devoted from each counterpart account for military uses shall be agreed upon by the Administrator and the country or countries concerned. The advantages of this procedure in furthering features of the program are obvious.

Section 516. Final disposition of matériel; reimbursable aid

(a) *Final disposition of matériel.*—This subsection requires the President to make arrangements with recipient nations which will insure that equipment or matériel which is no longer required for the purposes for which originally conveyed shall be returned to the United States for salvage or scrap, or shall be disposed of in such manner as the President shall deem to be in the interest of mutual security.

(b) *Reimbursable aid.*—Section 408 (e) of the Mutual Defense Assistance Act provides authority to the President to transfer equipment, materials and services to certain nations "without cost to the United States." This subsection has been amended by section 516 (b) of the present bill in two particulars.

First. Certain nations were made eligible under section 408 (e) on condition that they provide the United States with assurances that the equipment, materials, or services are required for and will be used to promote their internal security, their legitimate self-defense, or to permit them to participate in the defense of the area of which they are a part. The nations from whom that assurance is required are nations eligible for assistance by virtue of the fact that their ability to defend themselves or to participate in the defense of the area of

which they are a part is important to the security of the United States. The assurances required from nations which have been outlined above, are so restrictive as to prevent the use of such equipment as is transferred to them under the provisions of section 408 (e) in United Nations collective security arrangements and measures. Accordingly, this subsection of the Mutual Defense Assistance Act has been amended so as to provide that equipment, materials, or services transferred by virtue of section 408 (e) may be used by such countries in United Nations collective security arrangements and measures.

Second. Section 408 (e) authorized the President to enter into procurement contracts for equipment to be transferred to other countries. Section 408 (e) provided that the total amount of outstanding procurement contracts which the President might enter into should at no time exceed \$100 million. This limitation constitutes an undesirable barrier to the procurement of equipment by other countries which have embarked on very substantial procurement programs in the United States on a cash-payment basis. The limitation has accordingly been raised to \$500,000,000.

Section 517. Raising the ceiling on excess equipment or matériel

Under the Mutual Defense Assistance Act of 1949 as amended, there is a ceiling of \$700 million on the amount of excess equipment or matériel which may be transferred under that act or under the Greek-Turkish Aid Act of 1947.

The authorized ceiling of \$700 million has very nearly been reached. The Administration proposed that the amount should be increased by \$450 million to a grand total of \$1.15 billion. The committee felt that an increase of \$150 million was adequate under the circumstances.

Section 518. Amendments of Act for International Development

(a) *Contributions for technical assistance programs carried out through other agencies.*—This subsection amending section 404 (b) of the Act for International Development authorizes contributions of funds made available pursuant to the first four titles of the bill to the United Nations and the Organization of American States for technical assistance programs carried out through those agencies. It grants no new powers but merely continues an authority contained in the Act for International Development, but with a limitation of \$13 million as to the amount. The subsection does not require the contributions to be used in the specific areas covered by the sections of the Mutual Security Act, from which the funds are taken.

(b) *Security clearance of employees under the Act for International Development.*—This subsection amends section 414 of the Act for International Development, and deals with security clearance procedures for employees engaged in carrying out activities under that act. The purpose of this subsection is to permit persons to start work for a maximum period of 3 months under the Act for International Development pending completion of an investigation for security purposes. It would relieve the Federal Bureau of Investigation of the burden imposed upon it by the recent legislative provisions for personnel investigations and reports, and is based upon a recommendation of the Attorney General, who points out the enlargement of the Federal Bureau of Investigation's activities in this field has

diverted much of its energies from the pursuit of its primary responsibilities. Under the proposed language, those employed for a period exceeding 3 months must first be investigated by the Civil Service Commission and a report made to the Secretary of State. Where the Civil Service Commission discovers evidence of disloyalty or security risk, the matter will then be referred to the Federal Bureau of Investigation for a full field investigation. No individual may be employed or assigned to duties until the Civil Service Commission has made a name check of the files of the Federal Bureau of Investigation and a report made thereon to the Secretary of State. Prior to receipt of a report by the Civil Service Commission, persons may be given temporary employment without acquiring civil-service status, exclusively for purposes of job training within the United States, not involving access to any classified information.

APPENDIX I—POSTWAR DOLLAR AID

In order that the Senate might have before it figures showing dollar assistance which the United States has given countries covered by the pending legislation since the war, the joint committee asked the executive to supply in summary form information on all such assistance. The information furnished is as follows:

<i>Postwar dollar assistance to participating countries by the United States and by international financial agencies—through March 1951¹</i>	
	<i>World total</i>
Gross foreign aid	\$31, 229, 207
Grants utilized	20, 464, 456
Agriculture Department:	
Donation of surplus	77, 564
Foot-mouth disease eradication	81, 487
American Red Cross	10, 435
Defense Department:	
Civilian supplies:	
Army and Air Force Departments	4, 413, 358
Relief in Korea	65, 785
Navy Department	18, 856
Army and Navy Departments	4, 413
Refugee assistance	8, 937
Economic Cooperation Administration:	
Civilian supplies	172, 333
European recovery	8, 316, 266
Far eastern (general area of China) aid	189, 142
Interim aid (Public Law 389)	555, 660
Korean aid	81, 053
Post-UNRRA (Public Law 84)	298, 624
Executive Office of the President (Chinese military aid)	120, 715
Philippines War Damage Commission (private claims)	397, 348
Reconstruction Finance Corporation	53
State Department:	
Chinese student assistance	3, 861
Greek-Turkish aid	654, 438
Institute of Inter-American Affairs	36, 257
Mutual defense assistance	822, 700
North Atlantic area	603, 800
Greece, Turkey, Iran	104, 900
Other areas	114, 000

¹ The figures are based on assistance actually utilized. They take no account of return aid rendered to the United States (e. g. the value of strategic materials received by the U. S. Government under the European recovery program and reverse lend-lease) or of repayments on credits.

Postwar dollar assistance to participating countries by the United States and by international financial agencies—through March 1951—Continued

Grants utilized—Continued

State Department—Continued

Philippine rehabilitation:

Surplus property	World total
Philippine reconstruction and rehabilitation	\$100,000
Technical assistance	125,701
	19,884

Through international agencies:

For refugees	230,829
For Palestine relief	40,450
For children	75,000
For United Nations relief and rehabilitation	2,588,659
Yugoslavia aid	11,358

Treasury Department:

Chinese stabilization	119,594
Lend-lease (net of credit offsets)	689,209
Civilian supplies	134,487

Credits utilized 10,764,751

Agriculture Department (occupied-areas commodity program) 214,350

Commerce Department:

Maritime Administration (merchant ships) 229,001

Defense Department, Army Department:

Surplus property 20,000
Natural fibers revolving fund 54,366

Economic Cooperation Administration:

European recovery 1,107,038
Through Export-Import Bank 1,089,208
Deficiency-material projects 17,830

Export-Import Bank

Direct loans 2,811,704
Loans through agent banks 2,665,137
145,566

General Services (surplus property)

18,254

Reconstruction Finance Corporation:

Loans 70,102
Occupied-areas commodity programs 14,760
Surplus property 1,965

State Department:

IIAA 32
UN headquarters loan 48,044

Treasury Department:

British loan 3,750,000
Lend-lease current credit 14,565
Lend-lease silver 54,484
Credit agreement offsets to grants 1,256,320
Surplus property 1,064,757
Philippine funding 35,000

APPENDIX II—UNOBLIGATED AND UNEXPENDED BALANCES FROM EARLIER PROGRAMS

Each of the titles in the pending legislation authorizing new appropriations for fiscal 1952, contains a provision authorizing the carry-over of unexpended balances of appropriations heretofore made for the purposes covered by the said titles. This provision has the effect of carrying over funds from previous appropriations which were not obligated as of June 30, 1951, as well as funds obligated as of that date, but not expended.

The Joint Committee asked the executive departments for an explanation of the need for these provisions as well as for statements of the amounts of estimated unexpended and unobligated funds. The information received in reply to this request is as follows:

1. Carry-over provisions of this kind are needed because the size and nature of the military assistance programs and of the grant economic aid programs for 1952 are based on the assumption that the fiscal year 1951 programs will be completed, even though some of the goods and services programed are not actually delivered and paid for until after the end of that fiscal year. To assure the completion of the 1951 programs, it is necessary to carry over not only funds programed but unobligated as of June 30, 1951, but also funds obligated under procurement authorizations or procurement contracts as of June 30, 1951, which later become "deobligated" by cancellation of the procurement authorizations or the contracts. Without a carry-over provision, these funds would lapse.

For example, the 1951 military assistance program calls for certain quantities of matériel. The program for 1952 is based on the assumption that all matériel programed for 1951 will be bought and delivered. But because of the long lead time between programing and delivery, much of matériel included in the 1951 program will not be delivered until well after the end of fiscal year 1951; and some of the contracts and orders may, for one reason or another, have to be canceled after the turn of the fiscal year. In order to permit new orders for the same or substitute matériel to be let, it is necessary to continue the availability of these "deobligated" funds during the fiscal year 1952.

In the same way, the 1952 economic aid programs are based on balance-of-payments computations and other estimates which are in turn based on the assumption that the 1951 programs will be completed. But procurement authorizations issued by the ECA obligating funds for the 1951 program may have to be canceled after the end of fiscal year 1951 because of shortages of particular goods, failure to get allocations of goods programed, or other unforeseeable circumstances. In order that goods in the same amount may be furnished to complete the 1951 program, these same funds must be reobligated and for this purpose must be continued available into fiscal year 1952.

2. In section 303 (a) of the bill provision is made only for carry-over of unobligated balances of prior year obligations, rather than carry-over of unexpended balances as provided in other sections. The funds authorized by this section for fiscal year 1952 are to be used only for a contribution to the United Nations Korea Reconstruction Agency. In case any of the procurement authorizations already issued under the 1951 direct grant aid program are canceled, the funds obligated by those procurement authorizations will be allowed to lapse. The carry-over provision will permit the unobligated balance of last year's appropriations for Korean aid, as of June 30, 1951, to be used as part of the contribution to UNKRA and thereby reduce the amount of new funds which will need to be appropriated for that purpose. The unobligated balance of \$50 million plus the \$112,500,000 requested will make up the total \$162,500,000 United States contribution to UNKRA.

3. In section 203 (aid to Near East and independent Africa) and in title IV (aid to Latin America) no carry-over provision for economic aid appears. The 1951 economic aid programs in the Near East and Africa consisted only of the Palestine refugee and point 4 programs. The Latin-American economic program consisted entirely of point 4 aid. These funds are almost fully obligated and the chance of deobligation for this type of program is so remote that it was felt unnecessary to provide carry-over.

*Estimates of unobligated and unexpended fiscal year 1951 balances, by sections,
proposed mutual security bill*

[In millions of dollars]

Section 101 (a) (European military):

Unexpended	4,681.0
Unobligated	566.4

Obligated	4,114.6
-----------	---------

Carried over by S. 1762: \$315.8 million, plus any of the \$3,832.6 million which may subsequently be released from obligation.

Section 101 (b) (European economic):

Unexpended	1,380.9
Unobligated	62.9

Obligated	1,318.0
-----------	---------

Carried over by S. 1762: \$62 million, plus any of the \$1,445 million which may subsequently be released from obligation.

Section 201 (Greece, Turkey, Iran military):

Unexpended	405.9
Unobligated	69.0

Obligated	336.9
-----------	-------

Carried over by S. 1762: \$44.7 million, plus any of the \$302.1 million which may subsequently be released from obligation.

Sections 202, 203, and 204 ((Near East economic and technical):

Sections 202, 203, and 204 do not provide for any carry-over.

Section 301 (Asia and Pacific military):

Unexpended	420.1
Unobligated	124.3

Obligated	295.8
-----------	-------

Carried over by S. 1762: \$95.5 million, plus any of the \$191.6 million which may subsequently be released from obligation.

Section 302 (Asia and Pacific (except Korea) economic and technical):

Unexpended	133.6
Unobligated	.4

Obligated	133.2
-----------	-------

Carried over by S. 1762: \$0.2 million, plus any of the \$133.8 million which may subsequently be released from obligation. (See supplementary statement attached on southeast Asia programs.)

Section 303 (a) (Korean rehabilitation):

Unexpended	84.3
Unobligated	50.2

Obligated	34.1
-----------	------

Carried over by S. 1762: \$50 million unobligated balance in addition to new funds authorized as contribution to UN Korean Reconstruction Agency. The \$84.3 million represents unexpended balances of fiscal year 1951 funds, prior year funds not having been carried forward.

Section 303 (d) (Korea):

This section does not relate to dollar funds but to counterpart funds. This subsection is required because the Economic Cooperation Act, which has been made applicable to aid to Korea, provides that balances of local currency counterpart funds remaining when the ECA operations terminate shall be disposed of in accordance with congressional direction (sec. 115 (b) (6) of the Economic Cooperation Act). This subsection is intended to provide such congressional direction and authorizes release of these counterpart funds for purposes consistent with the UN assistance programs, in accordance with agreements between the United States and Korea.

Sections 401 and 402 (Latin-American military and technical assistance):

Do not provide for any carry-over under S. 1762. However, authority under other legislation exists for carry-over (11AA).

SUPPLEMENTARY STATEMENT ON SOUTHEAST ASIA PROGRAMS, FISCAL YEAR 1951¹

The attached tables show the situation as of June 30, 1951.

As shown in table 1, \$157,318,000 was obligated for program expenses in south-east Asia, Philippines, and Formosa. This was equal to the full amount available for those programs. (Of this total of funds available, it should be noted that \$71,384,000 only became available in the final quarter of the fiscal year, most of it for Formosa and the new programs in the Philippines. Of this amount, \$41,680,000 was made available for Formosa in the latter part of June.)

Table 1 also shows that, as of June 30, reported program expenditures amounted to \$28,882,450, leaving unliquidated obligations in the amount of \$128,435,550.

However, as shown in table 2, the estimated total value of arrivals as of June 30 was \$43,009,380. Because of a lag in reporting a large part of expenditures to ECA (in particular, because 90 days or longer customarily elapse after a transaction occurs before ECA obtains documents from Emergency Procurement Service), only \$28,882,450 had been officially reported as expended by that date, but reports of arrivals received by ECA/Washington from the field indicate that additional shipments to a value of \$14,126,930 had actually reached their destination.

In addition, shipments to a value of \$5,057,271 were en route and items under contract but not yet shipped amounted to \$22,291,044, making a total physical pipeline of \$27,348,315 (not reported as expenditures). Thus, goods arrived plus goods in the physical pipeline on June 30 amounted to \$70,357,695.

The value of commitments made but not yet contracted represented the difference between total funds available, \$157,318,000 (of which \$71,384,000 was made available in the fourth quarter) and \$70,357,695, or \$86,960,305.

The amounts included in this category of \$86,960,305 represent commitments to the recipient governments concerned which they and ECA necessarily take fully into account in developing plans and programs. ECA is not in a position to cancel or change these commitments without agreement on the part of the governments concerned. Moreover, the carrying out of projects such as those of which ECA programs in the Far East consist, and the process of orderly advance planning which ECA is endeavoring to help those governments to establish, require that firm commitments such as these should not be upset at a later date without compelling reason.

ECONOMIC COOPERATION ADMINISTRATION, FAR EAST PROGRAM DIVISION, PROGRAM COORDINATION BRANCH

SOUTHEAST ASIA SUPPLEMENTARY TABLE I.—Statement of unliquidated obligations of fiscal year 1951 program funds, by country shown in 2 parts

Part 1: Statement of unliquidated obligations by country arrived at by subtracting the reported expenditures from the obligations.

	Obligations	Reported expenditures	Unliquidated obligations
Grand total.....	¹ \$157,318,000	² \$28,882,450	³ \$128,435,550
Burma.....	10,774,000	251,525	10,522,475
Formosa.....	92,621,000	24,559,517	68,061,483
Indochina.....	21,828,000	3,033,975	18,794,025
Indonesia.....	7,973,000	200,403	7,772,597
Philippines.....	15,000,000	0	15,000,000
Thailand.....	8,876,000	679,030	8,196,970

¹ Includes \$34,000 MDAP funds for Indochina and \$246,000 unallocated program funds obligated under an agreement between ECA and the Federal Security Agency (U. S. Public Health Service).

² Includes \$158,000 against obligation of \$246,000 under agreement with U. S. Public Health Service.

³ Includes \$88,000 against obligation of \$246,000 under agreement with U. S. Public Health Service.

¹ Excludes south Asia programs and administrations.

SOUTHEAST ASIA SUPPLEMENTARY TABLE 2.—Statement of unliquidated obligations of fiscal year 1951 program funds by country shown in 2 parts

Part 2: Statement of unliquidated obligations by country showing in separate columns (a) Unliquidated obligations, (b) Value of contracts made but not reported as expenditures (c) Value of supplies and equipment en route to destination but not reported as expenditures, (d) Value of supplies and equipment arrived at destination but not reported as expenditures, (e) Total value of contracted commitments not reported as expenditures (columns (b), (c), and (d)), (f) Reported expenditures, (g) Estimated value of total arrivals (columns (d) and (f)), (h) Value of commitments made but not yet contracted (column (a) minus column (e)).

	Column (a) Unliquidated obligations	Column (b) Value of contracts made but not reported as expenditures	Column (c) Value of supplies and equipment on route to destination but not reported as expenditures	Column (d) Value of supplies and equipment arrived at destination but not reported as expenditures	Column (e) Total value of contracted commitments not reported as expenditures (columns (b), (c), and (d))	Column (f) Reported expenditures	Column (g) Estimated value of total arrivals (columns (d) and (f))	Column (h) Value of commitments made but not yet contracted (column (a) minus (e))
Grand total.....	\$128,435,550	\$22,291,044	\$5,057,271	\$14,126,930	\$41,475,245	\$28,882,450	\$43,009,380	\$86,960,305
Burma.....	10,522,475	2,055,307	236,787	3,246,540	5,538,634	251,525	3,498,065	4,983,841
Formosa.....	68,061,483	7,602,967	2,556,395	7,517,150	17,676,512	24,559,517	32,076,667	50,384,971
Indochina.....	18,794,025	7,697,055	1,205,170	1,178,925	10,081,150	3,033,975	4,212,900	8,712,875
Indonesia.....	7,772,597	2,729,252	0	40,635	2,769,887	200,403	241,038	5,002,710
Philippines.....	15,000,000	425,728	166,723	305,000	897,451	0	305,000	14,102,549
Thailand.....	8,196,970	1,780,735	892,196	1,750,680	4,423,611	679,030	2,429,710	3,773,359

⁴ Includes \$88,000 against obligation of \$246,000 under agreement with U. S. Public Health Service.

⁵ Includes \$158,000 against obligation of \$246,000 under agreement with U. S. Public Health Service.

⁶ Includes \$246,000 unallocated program funds obligated under an agreement ECA and Federal Security Agency (U. S. Public Health Service).

APPENDIX III—ECA PROCUREMENT AUTHORIZATIONS SINCE BEGINNING OF PROGRAM

In order that the Senate might have before it figures on ECA aid since the beginning of the program, the information which follows was obtained from the ECA.

Summary of procurement authorizations issued European recovery program, period April 1948–June 1951

[In thousands]

Country	ECA grant aid	ECA loans
Austria.....	\$550,739.4	-----
Belgium.....	495,210.8	\$51,300.0
Denmark.....	225,901.9	31,000.0
France.....	2,218,626.8	182,400.0
Germany.....	1,297,285.8	-----
Greece.....	489,791.8	-----
Iceland.....	17,289.5	3,400.0
Ireland.....	17,999.5	128,200.0
Italy.....	1,223,109.7	73,000.0
Netherlands.....	742,767.7	133,500.0
D. O. T. (Indonesia).....	84,225.0	17,200.0
Norway.....	196,596.7	35,000.0
Portugal.....	26,870.4	23,600.0
Sweden.....	97,998.0	20,400.0
Trieste.....	33,422.2	-----
Turkey.....	73,540.3	71,100.0
United Kingdom.....	2,376,597.7	336,900.0
Total.....	10,167,973.2	1,107,000.0

APPENDIX IV—COMMITMENT OF BALANCES AVAILABLE IN LOCAL CURRENCY (95 PERCENT) COUNTERPART ACCOUNT AS OF JUNE 30, 1951

The attached table gives a breakdown by countries of the deposits, withdrawals, and available balances in the 95 percent local currency counterpart account as of June 30, 1951. It indicates that as of that date a total of approximately \$1.5 billion of local currency counterpart of ECA assistance had not yet been withdrawn. Approximately half of this total, however, had been committed for various purposes by agreement between the United States Government and individual participating countries.

Austria.—The balance of counterpart deposits for which approval for release has not already been granted is \$146 million. Of this amount, \$32 million will be needed to complete the 1951 counterpart program which has been approved in general by ECA subject to later consideration as to the specific projects to be financed under the final quarterly release.

Belgium.—Approximately \$28 million of counterpart equivalent to the balance of the undisbursed 1950–51 aid remains to be deposited. No commitment has been made as to the specific purposes for which this amount is to be utilized but there is a general understanding that it will be utilized to finance projects which will assist in expanding Belgian productive capacity.

Denmark.—No proposals have been put forward by the Danish Government for the utilization of the available balance, and no commitments have been made by the United States.

France.—ECA has given approval to the utilization of counterpart accruals for financing a general program of capital investment in France (the so-called Monnet plan). The agreement applies to all counterpart funds of the 1950-51 aid program, a large portion of which still remains to be deposited.

Germany.—All counterpart funds available on June 30, 1951, and the local currency counterpart for the 1950-51 aid which still remains to be deposited have been committed for specific purposes, with the exception of a reserve fund amounting roughly to 425 million deutschmarks. Negotiations between the German Government and HICOG regarding use of this reserve were broken off by HICOG pending complete implementation by the Germans of the coal and steel industry reorganization contemplated under the AHC law 27.

Greece.—No formal commitment has been made with regard to the available balance and anticipated future deposits. It has been the policy of ECA to consider local currency counterpart deposits primarily as an offset to the inflationary pressures engendered by the Government's budget deficit and releases have been considered in the light of this objective. It is expected that releases during the current fiscal year will be limited to less than \$100 million.

Iceland.—Although the available balance is uncommitted, it is expected that it will be used in part to finance investment projects to which ECA has already given its approval.

Ireland.—No commitments have been made with regard to the available balance.

Italy.—An agreement was reached at the beginning of the fiscal year between the United States and the Italian Government on the specific types of projects for which counterpart accruing from the anticipated 1950-51 aid program would be utilized. The actual withdrawals depend upon the rate of completion of the particular project eligible for counterpart financing. The agreement at the beginning of the fiscal year did not cover a subsequent increase in aid of approximately 50 million. The counterpart equivalent of this amount which still remains to be deposited has not yet been committed.

Netherlands.—Of the balance available on June 30, 1951, \$33 million have been committed for release as part of the counterpart program for calendar 1950. Additional proposed withdrawals of \$35 million are now under consideration by ECA. The substantial balance remains uncommitted, pending submission by the Dutch Government of a counterpart investment program which would reflect more closely the need for expenditures related to the defense effort.

Norway.—Past counterpart releases have been used for retirement of the "occupation account" of the Bank of Norway. No commitments have been made with regard to the available balance. However, ECA has indicated its general approval to a continued use of counterpart for this purpose, provided that the supplementary measures taken by the Norwegian Government to combat inflationary pressures appear satisfactory.

Portugal.—A general agreement was reached last fall between the United States and the Portuguese Government for the release of counterpart in 1951 for industrial and agricultural projects. However, no commitment has been made with regard to a small amount of counterpart still to be deposited.

Turkey.—The United States has agreed to the utilization of counterpart for financing economic development programs and certain high priority military programs. This agreement applies not only to the balance available on June 30, 1951, but includes counterpart still to be deposited as the balance of the 1950-51 aid program is being disbursed.

United Kingdom.—The United States has agreed to the utilization of the counterpart accruing from the 1950-51 aid program for debt retirement as the most effective way to help control the inflationary pressure created by the British defense program.

Status of European local currency (95 percent) counterpart account as of June 30, 1951

[Dollar equivalents of the local currency, in millions of dollars]

Country	Public Law 472		
	Adjusted dollar equivalents of deposits, ¹ 95 percent account	Withdrawals	Available balances
Total.....	\$7, 738. 5	\$6, 195. 4	\$1, 543. 1
Austria.....	517. 0	304. 7	212. 3
Belgium-Luxemburg.....	2. 3	2. 1	. 2
Denmark.....	177. 7	118. 8	58. 9
France.....	1, 983. 8	1, 965. 2	18. 6
Germany (Federal Republic).....	930. 6	841. 5	89. 1
Greece.....	596. 0	311. 5	284. 5
Iceland.....	10. 6	. 9	9. 7
Ireland.....	6. 6	(²)	6. 6
Italy.....	743. 9	457. 9	286. 0
Netherlands.....	678. 5	270. 9	407. 6
Norway.....	304. 7	200. 9	103. 8
Portugal.....	16. 7	13. 9	2. 8
Trieste.....	28. 3	26. 1	2. 2
Turkey.....	67. 9	34. 2	33. 7
United Kingdom.....	1, 673. 9	1, 646. 8	27. 1

¹ In order to provide comparability between the dollar equivalents of deposits and withdrawals, all dollar equivalents are computed at the conversion rates in effect at the time of withdrawal.

² Less than \$50,000.

Calendar No. 678

82ND CONGRESS
1ST SESSION

H. R. 5113

[Report No. 703]

IN THE SENATE OF THE UNITED STATES

AUGUST 20 (legislative day, AUGUST 1), 1951

Read twice and referred to the Committees on Foreign Relations and Armed Services, jointly

AUGUST 27 (legislative day, AUGUST 1), 1951

Reported by Mr. CONNALLY, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Mutual Security Act of
4 1951".

5 SEC. 2. The Congress declares it to be the purpose of
6 this Act to maintain the security and to promote the foreign

1 policy of the United States by authorizing military, economic,
2 and technical assistance to friendly countries to strengthen
3 the mutual security and individual and collective defenses of
4 the free world, to develop their resources in the interest of
5 their security and independence and the national interest
6 of the United States and to facilitate the effective participa-
7 tion of those countries in the United Nations system for col-
8 lective security. The purposes of the Mutual Defense Assist-
9 ance Act of 1949, as amended (22 U. S. C. 1571-1604),
10 the Economic Cooperation Act of 1948, as amended (22
11 U. S. C. 1501-1522), and the Act for International De-
12 velopment (22 U. S. C. 1557) shall hereafter be deemed
13 to include this purpose.

14 TITLE I—EUROPE

15 SEC. 101. (a) In order to support the freedom of Europe
16 through assistance which will further the carrying out of the
17 plans for defense of the North Atlantic area, while at the
18 same time maintaining the economic stability of the countries
19 of the area so that they may meet their responsibilities for
20 defense, and to further encourage the economic unification
21 and the political federation of Europe, there are hereby au-
22 thorized to be appropriated to the President for the fiscal year
23 1952 for carrying out the provisions and accomplishing the
24 policies and purpose of this Act—

25 (1) not to exceed \$5,028,000,000 for assistance

1 pursuant to the provisions of the Mutual Defense
2 Assistance Act of 1949, as amended (22 U. S. C.
3 1571-1604), for countries which are parties to the
4 North Atlantic Treaty and for any country of Europe
5 (other than a country covered by another title of this
6 Act), which the President determines to be of direct
7 importance to the defense of the North Atlantic area
8 and whose increased ability to defend itself the Presi-
9 dent determines is important to the preservation of the
10 peace and security of the North Atlantic area and to
11 the security of the United States and for any selected
12 persons who are residing in or escapees from the Soviet
13 Union, Poland, Czechoslovakia, Hungary, Rumania,
14 Bulgaria, Albania, Lithuania, Latvia, and Estonia, or
15 the Communist dominated areas of Germany and
16 Austria, and any other countries absorbed by the Soviet
17 Union either to form such persons into national elements
18 of the military forces of the North Atlantic Treaty
19 Organization or for the purposes, when it is similarly
20 determined by the President that such assistance is
21 important in the defense of the North Atlantic area
22 and of the security of the United States. In addition,
23 unexpended balances of appropriations heretofore made
24 for carrying out the purposes of the Mutual Defense
25 Assistance Act of 1949, as amended, through assist-

1 ance to any of the countries covered by this paragraph
2 are hereby authorized to be continued available through
3 June 30, 1952, and to be consolidated with the appro-
4 priation authorized by this paragraph.

5 ~~(2)~~ not to exceed \$985,000,000 for assistance
6 pursuant to the provisions of the Economic Coopera-
7 tion Act of 1948, as amended ~~(22 U. S. C. 1501-1522)~~
8 ~~(including assistance to further European military pro-~~
9 ~~duction)~~; for any country of Europe covered by para-
10 graph ~~(1)~~ of this subsection and for any other country
11 covered by section 103 ~~(a)~~ of the said Economic Co-
12 operation Act of 1948, as amended. In addition, un-
13 expended balances of appropriations heretofore made
14 for carrying out the purposes of the Economic Coopera-
15 tion Act of 1948, as amended, are hereby authorized
16 to be continued available through June 30, 1952, and to
17 be consolidated with the appropriation authorized by
18 this subsection: *Provided*, That not to exceed \$30,-
19 000,000 of the funds made available pursuant to this
20 subsection may be utilized to effectuate the purposes
21 of section 115 ~~(c)~~ of the Economic Cooperation Act of
22 1948, as amended.

23 ~~(b)~~ Not to exceed 5 per centum of the total of the ap-
24 propriations granted pursuant to this section may be trans-
25 ferred, when determined by the President to be necessary

1 for the purposes of this Act, between appropriations granted
2 pursuant to either paragraph of subsection (a): *Provided*,
3 That the amount herein authorized to be transferred shall be
4 determined without reference to any balances of prior appro-
5 priations continued available pursuant to this section: *Pro-*
6 *vided further*, That, whenever the President makes any such
7 determination, he shall forthwith notify the Committee on
8 Foreign Relations of the Senate, the Committee on Foreign
9 Affairs of the House of Representatives, and the Committees
10 on Armed Services of the Senate and of the House of Rep-
11 resentatives.

12 TITLE II—NEAR EAST AND AFRICA

13 SEC. 201. In order to further the purpose of this
14 Act by continuing to provide military assistance to
15 Greece, Turkey, and Iran, there are hereby authorized
16 to be appropriated to the President for the fiscal year
17 1952, not to exceed \$415,000,000 for furnishing assistance
18 to Greece and Turkey pursuant to the provisions of the Act
19 of May 22, 1947, as amended (22 U. S. C. 1401-1410),
20 and for furnishing assistance to Iran pursuant to the pro-
21 visions of the Mutual Defense Assistance Act of 1949, as
22 amended (22 U. S. C. 1571-1604). In addition, un-
23 expended balances of appropriations heretofore made for
24 assistance to Greece and Turkey, available for the fiscal
25 year 1951, pursuant to the Act of May 22, 1947, as amended,

1 and for assistance to Iran pursuant to the Mutual Defense
2 Assistance Act of 1949, as amended, are hereby authorized
3 to be continued available through June 30, 1952, and to be
4 consolidated with the appropriation authorized by this
5 section.

6 SEC. 202. Whenever the President determines that such
7 action is essential for the purpose of this Act, he may provide
8 assistance, pursuant to the provisions of the Mutual Defense
9 Assistance Act of 1949, as amended, to any country of the
10 Near East area (other than those covered by section 201)
11 and may utilize not to exceed 10 per centum of the amount
12 made available (excluding balances of prior appropriations
13 continued available) pursuant to section 201 of this Act:
14 *Provided*, That any such assistance may be furnished only
15 upon determination by the President that (1) the strategic
16 location of the recipient country makes it of direct importance
17 to the defense of the Near East area, (2) such assistance is
18 of critical importance to the defense of the free nations, and
19 (3) the immediately increased ability of the recipient country
20 to defend itself is important to the preservation of the peace
21 and security of the area and to the security of the United
22 States.

23 SEC. 203. In order to further the purpose of this Act in
24 Africa and the Near East, there are hereby authorized to be
25 appropriated to the President, for the fiscal year 1952, not

1 to exceed \$175,000,000 for economic and technical assistance
2 in Africa and the Near East in areas other than those covered
3 by section 103 (a) of the Economic Cooperation Act of
4 1948, as amended (22 U. S. C. 1502). Funds appropriated
5 pursuant to this section shall be available under the applicable
6 provisions of the Economic Cooperation Act of 1948, as
7 amended (22 U. S. C. 1501-1522), and of the Act for
8 International Development (22 U. S. C. 1557).

9 SEC. 204. Not to exceed \$50,000,000 of the funds
10 authorized under section 203 hereof may be contributed to
11 the United Nations during the fiscal year 1952, for the pur-
12 poses, and under the provisions, of the United Nations
13 Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556):
14 *Provided That*, whenever the President shall determine
15 that it would more effectively contribute to the purposes of
16 the said United Nations Palestine Refugee Aid Act of 1950,
17 he may allocate any part of such funds to any agency of
18 the United States Government to be utilized in furtherance
19 of the purposes of said Act: *Provided further*, That no
20 amount may be so allocated unless it will be credited by the
21 United Nations as part of the United States contribution to
22 the United Nations Palestine Refugee Agency.

23 SEC. 205. In order to assist in the relief of refugees
24 coming into Israel, not to exceed \$50,000,000 of the funds
25 authorized under section 203 hereof may be utilized during

1 the fiscal year 1952, under such terms and conditions as
2 the President may prescribe, for specific refugee relief and
3 resettlement projects in Israel.

4 TITLE III—ASIA AND PACIFIC

5 SEC. 301. In order to carry out in the general area of
6 China (including the Republic of the Philippines and the
7 Republic of Korea) the provisions of subsection (a) of
8 section 303 of the Mutual Defense Assistance Act of 1949,
9 as amended (22 U. S. C. 1604 (a)), there are hereby
10 authorized to be appropriated to the President for the fiscal
11 year 1952, not to exceed \$530,000,000. In addition, unex-
12 pended balances of appropriations heretofore made for carry-
13 ing out the provisions of title III of the Mutual Defense
14 Assistance Act of 1949, as amended (22 U. S. C. 1602-
15 1604), are hereby authorized to be continued available
16 through June 30, 1952, and to be consolidated with the
17 appropriation authorized by this section. Not to exceed
18 \$50,000,000 of funds appropriated pursuant to this section
19 (excluding balances of appropriations continued available)
20 may be accounted for as provided in subsection (a) of said
21 section 303.

22 SEC. 302. (a) In order to further the purpose of this
23 Act through the strengthening of the area covered in section
24 301 of this Act (but not including the Republic of Korea),
25 there are hereby authorized to be appropriated to the Presi-

1 dent, for the fiscal year 1952, not to exceed \$237,500,000
 2 for economic and technical assistance in those portions of
 3 such area which the President deems to be not under Com-
 4 munist control. Funds appropriated pursuant to authority
 5 of this section shall be available under the applicable pro-
 6 visions of the Economic Cooperation Act of 1948, as
 7 amended, and of the Act for International Development
 8 (22 U. S. C. 1557). In addition, unexpended balances of
 9 funds heretofore made available for carrying out the purposes
 10 of the China Area Aid Act of 1950 (22 U. S. C. 1547), are
 11 hereby authorized to be continued available through June
 12 30, 1952, and to be consolidated with the appropriation
 13 authorized by this section.

14 (b) The third proviso of section 202 of the China Area
 15 Aid Act of 1950 is amended by inserting "and of Korea"
 16 after "selected citizens of China" each time it appears therein.

17 SEC. 303. (a) In order to provide for the United States
 18 contribution to the United Nations Korean Reconstruction
 19 Agency, established by the resolution of the General As-
 20 sembly of the United Nations of December 1, 1950, there are
 21 hereby authorized to be appropriated to the President not to
 22 exceed \$11,250,000. In addition, unobligated balances of
 23 the appropriations heretofore made, and available during the
 24 fiscal year 1951, for assistance to Korea under authority of

1 the Far Eastern Economic Assistance Act of 1950, as
2 amended (~~22 U. S. C. 1543, 1551, 1552~~), are hereby
3 authorized to be continued available through June 30, 1952,
4 and to be consolidated with the appropriation authorized by
5 this section.

6 ~~(b)~~ The sums made available pursuant to subsection
7 ~~(a)~~ may be contributed from time to time on behalf of the
8 United States in such amounts as the President determines to
9 be appropriate to support those functions of the United
10 Nations Korean Reconstruction Agency which the military
11 situation in Korea permits the Agency to undertake pursuant
12 to arrangements between the Agency and the United Nations
13 Unified Command. The aggregate amount which may be
14 contributed on behalf of the United States pursuant to the
15 preceding sentence shall be reduced by the value of goods
16 and services made available to Korea by any department
17 or agency of the United States for relief and economic assist-
18 ance after the assumption of responsibility for relief and
19 rehabilitation operations in Korea by the United Nations
20 Korean Reconstruction Agency.

21 ~~(c)~~ The provisions of subsections 304 ~~(a)~~ and ~~(b)~~ of
22 the United Nations Palestine Refugee Aid Act of 1950 (~~22~~
23 ~~U. S. C. 1556 (b)~~) are hereby made applicable with respect
24 to Korean assistance furnished under this section.

25 ~~(d)~~ Unencumbered balances of sums heretofore or here-

1 after deposited in the special account established pursuant
2 to paragraph (2) of article V of the agreement of December
3 10, 1948, between the United States of America and the
4 Republic of Korea (62 Stat., part 3, 3788) shall be used
5 in Korea for such purposes as the President determines
6 to be consistent with United Nations programs for assistance
7 to Korea and as may be agreed to between the Government
8 of the United States and the Republic of Korea.

9 TITLE IV—AMERICAN REPUBLICS

10 SEC 401. In order to further the purpose of this
11 Act through the furnishing of military assistance to the
12 other American Republics, there are hereby authorized to
13 be appropriated to the President, for the fiscal year 1952,
14 not to exceed \$40,000,000 for carrying out the purposes of
15 this section under the provisions of the Mutual Defense
16 Assistance Act of 1949, as amended: *Provided*, That such
17 assistance may be furnished only in accordance with defense
18 plans which are found by the President to require the re-
19 cipient country to participate in missions important to the
20 defense of the Western Hemisphere. Any such assistance
21 shall be subject to agreements, as provided herein and as
22 required by section 402 of the Mutual Defense Assistance
23 Act of 1949, as amended (22 U. S. C. 1573), designed to
24 assure that the assistance will be used to promote the de-
25 fense of the Western Hemisphere; and after agreement by

1 the Government of the United States and the country con-
2 cerned with respect to such missions, military assistance
3 hereunder shall be furnished only in accordance with such
4 agreement.

5 SEC. 402. In order to further the purpose of this Act
6 among the peoples of the American Republics through the
7 furnishing of technical assistance, there are hereby author-
8 ized to be appropriated to the President, for the fiscal year
9 1952, not to exceed \$22,000,000 for assistance under the
10 provisions of the Act for International Development (22
11 U. S. C. 1557) and of the Institute of Inter-American
12 Affairs Act, as amended (22 U. S. C. 281).

13 TITLE V—ORGANIZATION AND 14 ADMINISTRATION

15 MUTUAL SECURITY ADMINISTRATION

16 SEC. 501. (a) There is hereby established, with its
17 principal office at the seat of the Government, an agency to
18 be known as the Mutual Security Administration, herein-
19 after referred to as the Administration. The Administration
20 shall be headed by a Mutual Security Administrator, here-
21 inafter referred to as the Administrator, who shall be ap-
22 pointed by the President, by and with the advice and con-
23 sent of the Senate, and who shall be responsible to the
24 President. The Administrator shall have a status in the
25 executive branch of the Government comparable to that of

1 the head of an executive department, and shall receive com-
2 pensation at the same rate.

3 (b) There shall be in the Administration a Deputy
4 Mutual Security Administrator who shall be appointed by
5 the President, by and with the advice and consent of the
6 Senate, and shall receive compensation at the same rate as
7 that payable to an Under Secretary of an executive depart-
8 ment. The Deputy Mutual Security Administrator shall
9 perform such functions as the Administrator shall designate,
10 and shall be Acting Mutual Security Administrator during
11 the absence or disability of the Administrator or in the event
12 of a vacancy in the office of Administrator.

13 (c) Officers, employees, agents, and attorneys may be
14 employed by the Administrator for duty within the con-
15 tinental limits of the United States in accordance with the
16 provisions of the civil service laws and the Classification
17 Act of 1949, as amended, except that, of such per-
18 sonnel, not to exceed sixty may be compensated at rates
19 higher than those provided for grade 15 of the General
20 Schedule established by the Classification Act of 1949, as
21 amended, and of these, not to exceed twenty-five may be
22 compensated at a rate in excess of the highest rate provided
23 for grades of such General Schedule, but not in excess of
24 \$15,000 per annum. Such one hundred positions shall be

1 in addition to the number authorized by section 505 of the
2 Classification Act of 1949, as amended.

3 (d) Persons employed for duty outside the continental
4 limits of the United States and officers and employees of the
5 United States Government assigned for such duty, may
6 receive compensation at any of the rates provided for the
7 Foreign Service Reserve and Staff by the Foreign Service
8 Act of 1946 (22 U. S. C. 801-1158), as amended, may
9 receive allowances and benefits not in excess of those estab-
10 lished thereunder, and may be appointed to any class in the
11 Foreign Service Reserve or Staff in accordance with the
12 provisions of such Act, and assigned to duties for the
13 Administrator.

14 (e) Alien clerks and employees employed for the pur-
15 pose of performing functions under this Act shall be em-
16 ployed in accordance with the provisions of the Foreign
17 Service Act of 1946, as amended.

18 (f) Whenever the President determines it to be con-
19 sistent with and in furtherance of the purpose of this Act,
20 the head of any Government agency is authorized to—

21 (1) detail or assign any officer or employee of his
22 agency to any office or position to which no compensa-
23 tion is attached with any foreign government or foreign
24 government agency: *Provided*, That such acceptance of

office shall in no case involve the taking of an oath of allegiance to another government; and

~~(2)~~ detail, assign, or otherwise make available to any international organization in which the United States participates, any officer or employee of his agency to serve with or as a member of the international staff of such organizations.

Any such officer or employee, while so designed or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds made available to that agency out of funds authorized under this Act.

~~(g)~~ Experts and consultants or organizations thereof may be employed as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and individuals so employed may be compensated at a rate not in excess of \$50 per diem.

~~(h)~~ No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Administrator or the Secretary of State under this Act for a period to exceed three months unless ~~(1)~~ such

1 individual has been investigated as to loyalty and security
2 by the Federal Bureau of Investigation and a report thereon
3 has been made to the Administrator and the Secretary of
4 State, and until the Administrator or the Secretary of State
5 has certified in writing (and filed copies thereof with the
6 Senate Committee on Foreign Relations and the House Com-
7 mittee on Foreign Affairs) that, after full consideration of
8 such report, he believes such individual is loyal to the United
9 States, its Constitution, and form of government, and is not
10 now and has never been a member of any organization advo-
11 eating contrary views; or (2) such individual has been
12 investigated by a military intelligence agency and the Sec-
13 retary of Defense has certified in writing that he believes
14 such individual is loyal to the United States and filed copies
15 thereof with the Senate Committee on Foreign Relations
16 and the House Committee on Foreign Affairs. This subsec-
17 ion shall not apply in the case of any officer appointed by
18 the President by and with the advice and consent of the
19 Senate, nor shall it apply in the case of any officer or em-
20 ployee previously investigated and certified.

21 GENERAL FUNCTIONS OF ADMINISTRATOR

22 SEC. 502. (a) Except as otherwise provided in this
23 Act, there shall be transferred to the Administrator the
24 powers and functions conferred upon—

25 (1) the Administrator for Economic Cooperation by

1 the Economic Cooperation Act of 1948, as amended,
2 and the Far Eastern Economic Assistance Act of 1950,
3 as amended;

4 ~~(2)~~ the Secretary of State under the Institute of
5 Inter-American Affairs Act; and

6 ~~(3)~~ the President by the Mutual Defense Assistance
7 Act of 1949, as amended, the Act for International
8 Development, and the Act of May 22, 1947, as amended,
9 except the power to conclude international agreements,
10 the power to make appointments by and with the advice
11 and consent of the Senate, and the powers enumerated in
12 section 408 (c) of the Mutual Defense Assistance Act
13 of 1949, as amended.

14 ~~(b)~~ The following agencies and offices shall cease to
15 exist:

16 ~~(1)~~ The Economic Cooperation Administration and the
17 offices of Administrator and Deputy Administrator for Eco-
18 nomic Cooperation;

19 ~~(2)~~ The office of United States Special Representative
20 in Europe and of Deputy United States Special Representa-
21 tive in Europe created by the Economic Cooperation Act of
22 1948, as amended;

23 ~~(3)~~ The office created by section 413 (a) of the Act for
24 International Development;

1 ~~(4)~~ The offices created by section 406 ~~(c)~~ of the Mutual
2 Defense Assistance Act of 1949, as amended.

3 ~~(c)~~ Any personnel, upon the certification of the Ad-
4 ministrator and with the approval of the Director of the
5 Bureau of the Budget that such personnel are necessary to
6 carry out the functions of the Administrator, and all records
7 and property which the Director of the Bureau of the Budget
8 determines are used primarily in the administration of the
9 powers and functions transferred to the Administrator by this
10 Act, shall be transferred to the Mutual Security Admin-
11 istration.

12 SEC. 503. In order to strengthen and make more effec-
13 tive the conduct of the foreign relations of the United States,
14 and to carry out the purpose of this Act—

15 ~~(a)~~ the Secretary of State, the Administrator, and
16 the Secretary of Defense shall keep each other fully and
17 currently informed on matters, including prospective
18 action, arising within the scope of their respective duties
19 which are pertinent to the duties of the other;

20 ~~(b)~~ whenever the Secretary of State believes that
21 any action, proposed action, or failure to act on the part
22 of the Administrator is inconsistent with the foreign-
23 policy objectives of the United States, he shall consult
24 with the Administrator and, if differences of view are

1 not adjusted by consultation, the matter shall be referred
2 to the President for final decision;

3 ~~(c)~~ whenever the Secretary of Defense believes that
4 any action, proposed action, or failure to act on the
5 part of the Administrator is inconsistent with the military
6 security objectives of the United States, he shall consult
7 with the Administrator and, if differences of view are not
8 adjusted by consultation, the matter shall be referred to
9 the President for final decision; and

10 ~~(d)~~ whenever the Administrator believes that any
11 action, proposed action, or failure to act on the part of
12 the Secretary of State or the Secretary of Defense in
13 performing functions under this Act, is inconsistent with
14 the purpose and provisions of this Act, he shall consult
15 with the Secretary of State and the Secretary of Defense
16 as appropriate and, if differences of view are not ad-
17 justed by consultation, the matter shall be referred to
18 the President for final decision.

19 MEMBERSHIP IN OTHER AGENCIES

20 SEC. 504. ~~(a)~~ Section 4 ~~(a)~~ of Public Law 171,
21 Seventy-ninth Congress, as amended ~~(59 Stat. 512)~~, is
22 amended by striking out "Economic Cooperation Admin-
23 istration" and inserting in lieu thereof "Mutual Security
24 Administration" and by striking out "Administrator for

1 ~~Economic Cooperation~~" and inserting in lieu thereof "Mutual
2 ~~Security Administrator~~".

3 (b) Clause (6) of the fourth paragraph of section 101
4 (a) of Public Law 253, Eightieth Congress, as amended,
5 is hereby further amended by inserting after "Munitions
6 Board," the following: "the Mutual Security Administrator
7 so long as the Mutual Security Administration shall con-
8 tinue to exist,".

9 PUBLIC ADVISORY BOARDS

10 SEC. 505. (a) The Boards provided for by section
11 407 of the Economic Cooperation Act, as amended, and by
12 section 409 of the Act for International Development shall
13 advise and consult with the Mutual Security Administrator.

14 (b) The Administrator may appoint such other advisory
15 committees as he may determine to be necessary or desirable
16 to effectuate the purpose of this Act.

17 REGIONAL MUTUAL SECURITY REPRESENTATIVES

18 SEC. 506. (a) There shall be a United States Mutual
19 Security Representative in Europe who shall (1) be ap-
20 pointed by the President, by and with the advice and consent
21 of the Senate, (2) be entitled to receive the same compensa-
22 tion and allowances as a chief of mission, class 1, within the
23 meaning of the Act of August 13, 1946 (22 U. S. C. 801-
24 1158); and (3) have the rank of ambassador extraordinary
25 and plenipotentiary. He shall be the representative of the

1 Administrator and receive his instructions from him; and such
2 instructions shall be prepared and transmitted to him in
3 accordance with procedures agreed to among the Adminis-
4 trator, the Secretary of State, and the Secretary of Defense
5 in order to assure appropriate coordination as provided by
6 section 503 of this title. He shall coordinate the activities
7 of the chiefs of such special missions provided for in section
8 507 of this title as may be placed under his jurisdiction by
9 the Administrator. He shall keep the Administrator, the
10 Secretary of State, the Secretary of Defense, the chiefs of the
11 United States diplomatic missions, and the chiefs of the
12 special missions provided for herein fully and currently in-
13 formed concerning his activities. He shall consult with the
14 chiefs of all such missions, who shall give him such coopera-
15 tion as he may require for the performance of his duties
16 under this title.

17 (b) There shall be a Deputy United States Mutual
18 Security Representative in Europe who shall (1) be ap-
19 pointed by the President, by and with the advice and con-
20 sent of the Senate; (2) be entitled to receive the same
21 compensation and allowances as a chief of mission, class 3,
22 within the meaning of the Act of August 13, 1946; and (3)
23 have the rank of ambassador extraordinary and plenipoten-
24 tiary. The Deputy shall perform such functions as the United

1 States Mutual Security Representative in Europe shall des-
2 ignate, and shall be Acting United States Mutual Security
3 Representative in Europe during the absence or disability, or,
4 in the event of a vacancy in the office, of the Representative.

5 (c) The Deputy United States Representative North
6 Atlantic Council and the United States Mutual Security
7 Representative in Europe shall keep each other fully and
8 currently informed concerning their activities.

9 (d) When necessary to carry out the purpose of this
10 Act, the President is authorized to appoint not more than
11 three additional Mutual Security Representatives for other
12 regions in accordance with the applicable provisions of sub-
13 section (a) of this section. Any Mutual Security Repre-
14 sentative appointed pursuant to this section shall be entitled
15 to receive the same rank, compensation, and allowances as
16 the highest ranking chief of any United States diplomatic
17 mission in the region.

18 SPECIAL MUTUAL SECURITY MISSIONS ABROAD

19 SEC. 507. (a) Except as provided in subsection (c)
20 of this section, the Administrator may establish in each coun-
21 try receiving assistance under this Act a special mutual se-
22 curity mission under the direction of a chief who shall be
23 responsible for assuring the performance within such country
24 of operations under this Act. The chief shall be appointed
25 by the Administrator, shall receive his instructions from the

1 Administrator, and shall report to the Administrator on the
2 performance of the duties assigned to him. The chief of the
3 special mission shall take rank immediately after the chief of
4 the United States diplomatic mission in such country; and
5 the chief of the special mission shall be entitled to receive
6 the same compensation and allowances as a chief of mission,
7 class 3, or a chief of mission, class 4, within the meaning
8 of the Act of August 13, 1946, or compensation and allow-
9 ances in accordance with section 501 (d) of this Act, as the
10 Administrator shall determine to be necessary or appropriate.

11 (b) The chief of the special mission shall keep the chief
12 of the United States diplomatic mission fully and currently
13 informed on matters, including prospective action, arising
14 within the scope of the operations of the special mission and
15 the chief of the diplomatic mission shall keep the chief of the
16 special mission fully and currently informed on matters rela-
17 tive to the conduct of the duties of the chief of the special
18 mission. The chief of the United States diplomatic mission
19 will be responsible for assuring that the operations of the
20 special mission are consistent with the foreign-policy objec-
21 tives of the United States in such country, and to that end
22 whenever the chief of the United States diplomatic mission
23 believes that any action, proposed action, or failure to act on
24 the part of the special mission is inconsistent with such
25 foreign-policy objectives, he shall so advise the chief of the

1 special mission and the United States Mutual Security
2 Representative. If differences of view are not adjusted by
3 consultation, the matter shall be referred to the Secretary of
4 State and the Administrator for decision.

5 ~~(c)~~ With the approval of the Secretary of State the
6 Administrator may, if he deems it appropriate, direct that
7 the functions of the chief or deputy chief of the special mission
8 in any country be assumed by the chief of the United States
9 diplomatic mission or any other member of the mission in that
10 country. The member of the mission so designated shall
11 report to the Administrator, and shall receive directions
12 from him, with respect to carrying out functions relating to
13 the purpose of this Act.

14 ~~(d)~~ The Secretary of State shall provide such office
15 space, facilities, and other administrative services for the
16 United States Mutual Security Representatives and their
17 staffs, and for each special mission, as may be agreed between
18 the Secretary of State and the Administrator.

19 ~~(e)~~ With respect to any of the zones of occupation of
20 Germany and of the Free Territory of Trieste, during the
21 period of occupation, the President shall make appropriate
22 administrative arrangements for the conduct of operations
23 under this title, in order to enable the Administrator to carry
24 out his responsibility to assure the accomplishment of the
25 purpose of this Act.

ELIGIBILITY FOR ASSISTANCE

SEC. 508. (a) No military, economic, or technical assistance (other than assistance provided under section 408 (c) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the President finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to join in promoting and maintaining world peace and to take such action as may be mutually agreed upon to eliminate causes of international tension. Such agreements shall include appropriate provisions for such country to—

(1) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(2) make, consistent with its political stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world; and

(3) adopt all reasonable military, economic, and security measures which may be needed to develop its defense capacities and to insure the effective utilization

1 of the economic and military assistance provided by the
2 United States.

3 ~~(b)~~ No economic or technical assistance shall be supplied
4 to any other nation unless the President finds that the
5 supplying of such assistance will strengthen the security of
6 the United States and promote world peace, and unless the
7 recipient country has agreed to join in promoting inter-
8 national understanding and good will, and maintaining world
9 peace, and to take such action as may be mutually agreed
10 upon to eliminate causes of international tension.

11 RESPONSIBILITIES OF SECRETARY OF DEFENSE

12 SEC. 509. In the case of aid under this Act for military
13 items and related technical assistance and advice, the Sec-
14 retary of Defense shall procure and furnish such military
15 items and related technical assistance and advice: *Provided,*
16 That the Secretary of Defense, after consultation with the
17 Joint Chiefs of Staff and the Administrator, shall determine
18 the priority in which military items shall be allocated. Not-
19 withstanding any other provision of law, during the fiscal
20 year 1952 the Secretary of Defense may furnish (with or
21 without reimbursement from the President) all or part of
22 such military items out of the materials of war whose pro-
23 duction in the United States shall have been authorized for,

1 and appropriated to, the Department of Defense: *Provided,*
2 *however,* That nothing in this Act shall authorize the furnish-
3 ing of military items under this section in excess of 11 per
4 centum of the aggregate dollar value of the materials of war
5 whose production in the United States shall have been
6 authorized for, and appropriated to, the Department of De-
7 fense for the three-year period beginning July 1, 1949.
8 For the purposes of this section, (1) "value" shall be deter-
9 mined in accordance with section 402 (c) of the Mutual
10 Defense Assistance Act of 1949, and (2) the term "mate-
11 rials of war" means those goods, commonly known as mili-
12 tary items, which are required for the performance of their
13 missions by armed forces of a nation, including weapons,
14 military vehicles, ships of war under fifteen hundred tons,
15 aircraft, military communications equipment, ammunition,
16 maintenance parts and spares, and military hardware.

17 TERMINATION OF ASSISTANCE

18 SEC. 510 (a) After June 30, 1954, or after the date
19 of the passage of a concurrent resolution by the two Houses
20 of Congress before such date, none of the authority conferred
21 on the Administrator by this Act may be exercised; except
22 that during the twelve months following such date commodi-
23 ties and services with respect to which the Administrator

1 had, prior to such date, authorized procurement for, ship-
2 ment to, or delivery in a participating country, may be trans-
3 ferred to such country, and funds appropriated under au-
4 thority of this Act may be obligated during such twelve-
5 month period for the necessary expenses of procurement,
6 shipment, delivery, and other activities essential to such
7 transfer and shall remain available during such period for
8 the necessary expenses of liquidating operations under this
9 Act: *Provided*, That nothing in this Act shall be deemed to
10 extend the period during which any powers under the Eco-
11 nomic Cooperation Act of 1948, as amended, may be exer-
12 cised beyond the date specified for its termination by section
13 122 of that Act.

14 (b) At such time as the President shall find appro-
15 priate after such date, and prior to the expiration of the
16 twelve months following such date, the powers, duties, and
17 authority of the Administrator under this Act may be trans-
18 ferred to such other departments, agencies, or establishments
19 of the Government as the President shall specify, and the
20 relevant funds, records, and personnel of the Administration
21 may be transferred to the departments, agencies, or estab-
22 lishments to which the related functions are transferred.

1 TERMINATION OF ASSISTANCE BY PRESIDENT

2 SEC. 511. If the President determines that the furnish-
3 ing of assistance to any nation—

4 (1) is no longer consistent with the national interest
5 or security of the United States or the policies and pur-
6 pose of this Act; or

7 (2) would contravene a decision of the Security
8 Council of the United Nations; or

9 (3) would be inconsistent with the principle that
10 members of the United Nations should refrain from giv-
11 ing assistance to any nation against which the Security
12 Council or the General Assembly has recommended
13 measures in case of a threat to, or breach of, the peace,
14 or act of aggression,

15 he shall terminate all or part of any assistance furnished pur-
16 suant to this Act. The function conferred herein shall be in
17 addition to all other functions heretofore conferred with re-
18 spect to the termination of military, economic, or technical
19 assistance.

20 EFFECTIVE DATE

21 SEC. 512. All provisions of this Act except subsections
22 (a), (b), and (c) of section 502, and sections 415, 617

1 ~~(3)~~, and 618, shall take effect upon the date of its enact-
2 ment. Subsections ~~(a)~~, ~~(b)~~, and ~~(c)~~ of section 502, and
3 sections 615, 617 ~~(3)~~, and 618 shall take effect on such date,
4 not more than sixty days after the date the Administrator
5 first appointed takes office, as the President shall prescribe.

6 THE SECRETARY OF STATE

7 SEC. 513. Nothing contained in this Act shall be con-
8 strued to infringe upon the powers or functions of the
9 Secretary of State.

10 TITLE VI—GENERAL PROVISIONS

11 SEC. 601. In order to carry out the purpose of this Act,
12 with respect to those countries eligible to receive assistance
13 as provided herein, funds shall be available as authorized and
14 appropriated to the President each fiscal year.

15 SEC. 602. Whenever the President determines it to
16 be necessary for the purpose of this Act, not to exceed
17 10 per centum of the funds made available under any title
18 of this Act may be transferred to and consolidated with
19 funds made available under any other title of this Act in
20 order to furnish, to a different area, assistance of the kind
21 for which such funds were available before transfer. When-
22 ever the President makes any such determination, he shall
23 forthwith notify the Committee on Foreign Relations of
24 the Senate and the Committee on Foreign Affairs of the
25 House of Representatives. In the case of the transfer of

1 funds available for military purposes, he shall also forthwith
2 notify the Committees on Armed Services of the Senate and
3 House of Representatives.

4 SEC. 603. In order to promote the increased production,
5 in areas covered by this Act, of materials in which the
6 United States is deficient, there are hereby authorized to
7 be appropriated to the President for the fiscal year 1952
8 not to exceed \$55,000,000 to be used pursuant to the author-
9 ity contained in the Economic Cooperation Act of 1948, as
10 amended (22 U. S. C. 1501-1522).

11 SEC. 604. The Administrator shall require all countries
12 participating in any United States aid program or in any
13 international organization receiving United States aid to so
14 deposit, segregate, or assure title to all funds or property
15 allocated to or derived from any program so that the same
16 shall not be subject to garnishment, attachment, seizure, or
17 other legal process by any person, firm, agency, corporation,
18 organization, or government.

19 SEC. 605. (a) In order to bring about the availability
20 of international resources to further the purpose of this Act
21 and to reduce requirements for assistance under this Act,
22 the Administrator shall ascertain through the National Ad-
23 visory Council on International Monetary and Financial
24 Problems whether there can be established, and to make
25 recommendations to the Congress on the establishment of,

1 organizations or corporations affiliated with the International
2 Bank for Reconstruction and Development to assist in financ-
3 ing, where adequate financing is not otherwise available on
4 reasonable terms, essential public works and productive enter-
5 prises in economically underdeveloped areas.

6 (b) The Administrator is requested to recommend to the
7 Congress such action as will in his judgment be desirable
8 to eliminate the barriers to, and provide incentives for, a
9 steadily increased participation of private enterprise in de-
10 veloping the resources of foreign countries consistent with
11 the policies of this Act. The Secretary of State is requested
12 to undertake, after consultation with the Administrator and
13 the Secretary of the Treasury, negotiations with the repre-
14 sentatives of foreign governments looking to the early removal
15 of such obstacles and barriers as now exist to the maximum
16 participation of private enterprise in such development.

17 SEC. 606. (a) As used in this section—

18 (1) the term “invention” means an invention or
19 discovery covered by a patent issued by the United
20 States, and

21 (2) the term “information” means information
22 originated by or peculiarly within the knowledge of the
23 owner thereof and those in privity with him, which is
24 not available to the public and is subject to protection
25 as property under recognized legal principles.

1 ~~(b)~~ Whenever, in connection with the furnishing of
2 any assistance in furtherance of the purpose of this Act—

3 ~~(1)~~ use within the United States, without authori-
4 zation by the owner, shall be made of an invention, or

5 ~~(2)~~ damage to the owner shall result from the dis-
6 closure of information by reason of acts of the United
7 States or its officers or employees,

8 the exclusive remedy of the owner of such invention or
9 information shall be by suit against the United States in the
10 Court of Claims or in the district court of the United States in
11 which such owner is a resident for reasonable and entire com-
12 pensation for unauthorized use or disclosure. In any such suit
13 the United States may avail itself of any and all defenses,
14 general or special, that might be pleaded by any defendant in
15 a like action.

16 ~~(c)~~ Before such suit against the United States has been
17 instituted, the head of the appropriate department or agency
18 of the Government, which has furnished any assistance
19 in furtherance of the purpose of this Act, is authorized and
20 empowered to enter into an agreement with the claimant,
21 in full settlement and compromise of any claim against the
22 United States hereunder.

23 ~~(d)~~ This section shall not confer a right of action on
24 anyone or his successor or assignee who, when he makes

1 such a claim, is in the employment or service of the United
2 States, or who, while in the employment or service of the
3 United States, discovered, invented, or developed any inven-
4 tion or information on which such claim is based.

5 ~~(e)~~ Except as otherwise provided by law, no recovery
6 shall be had for any infringement of a patent committed
7 more than six years prior to the filing of the complaint or
8 counterclaim for infringement in the action, except that the
9 period between the date of receipt by the Government of a
10 written claim under subsection ~~(e)~~ above for compensa-
11 tion for infringement of a patent and the date of mailing by
12 the Government of a notice to the claimant that his claim
13 has been denied shall not be counted as part of the six years,
14 unless suit is brought before the last-mentioned date.

15 SEC. 607. Notwithstanding any of the provisions of the
16 Defense Production Act of 1950, as amended—

17 ~~(1)~~ The Administrator shall have responsibility for
18 representing, before the authorities in the executive
19 branch of the Government charged with the administra-
20 tion of title I of such Act, the needs of all countries
21 receiving assistance under this Act, and of such other
22 countries as the President may direct, for United States
23 commodities and facilities.

24 ~~(2)~~ Whenever allocations under such Act of United
25 States commodities and facilities for foreign countries re-

1 ceiving assistance under this Act, and for foreign assist-
2 ance programs in such countries, are made on an
3 over-all, and not on a country-by-country, basis, the
4 Administrator shall have the authority and responsibility
5 of apportioning, among such countries, the United States
6 commodities and facilities so allocated.

7 SEC. 608. The President, from time to time while funds
8 appropriated for the purpose of this Act continue to be
9 available for obligation, shall transmit to the Congress, in
10 lieu of any reports otherwise required by law, reports cover-
11 ing each six months of operations in furtherance of the pur-
12 pose of this Act, except information the disclosure of which
13 he deems incompatible with the security of the United States.
14 The first such report shall cover the six-month period com-
15 mencing on the date this Act becomes effective. Reports
16 provided for under this section shall be transmitted to the
17 Secretary of the Senate or the Clerk of the House of Repre-
18 sentatives, as the case may be, if the Senate or the House of
19 Representatives, as the case may be, is not in session.

20 SEC. 609. (a) Upon a determination by the Admin-
21 istrator that it will further the purpose of this Act, not to
22 exceed \$10,000,000 of the funds made available pursuant
23 to section 203 of this Act and not to exceed \$25,000,000
24 of funds made available pursuant to section 302 of this Act
25 may be advanced to countries covered by said sections in

1 return for equivalent amounts of the currency of such coun-
2 tries being made available to meet local currency needs of
3 the aid programs in such countries pursuant to agreements
4 made in advance with the United States: *Provided, That*
5 except when otherwise prescribed by the Administrator
6 as necessary to the effective accomplishment of the aid pro-
7 grams in such countries, all funds so advanced shall be held
8 under procedures set out in such agreements until used to pay
9 for goods and services approved by the United States or
10 until repaid to the United States for reimbursement to the
11 appropriation from which drawn.

12 (b) In order to assist in carrying out the provisions of
13 the Economic Cooperation Act of 1948, as amended, not
14 to exceed \$50,000,000 of funds made available under the
15 authority of this Act for assistance pursuant to the pro-
16 visions of the Economic Cooperation Act of 1948, as
17 amended (22 U. S. C. 1501-1522), may be used to acquire
18 local currency for the purpose of increasing the production
19 of materials in which the United States is deficient.

20 SEC. 610. Funds realized from the sales of notes pur-
21 suant to section 111 (c) (2) of the Economic Cooperation
22 Act of 1948, as amended, shall be available for making
23 guaranties of investments in accordance with the applicable

1 provisions of sections 111 (b) (3) and 111 (c) (2) of the
2 Economic Cooperation Act, as amended, in any area in
3 which assistance is authorized by this Act.

4 SEC. 611. Funds made available for carrying out the
5 provisions of title I of this Act shall be available for the
6 administrative expenses of carrying out the purposes of all
7 of the titles of this Act, including expenses incident to United
8 States participation in international security organizations
9 and expenses in the United States in connection with pro-
10 grams authorized under the Act for International Develop-
11 ment. Any currency of any nation received by the United
12 States for its own use in connection with assistance furnished
13 by the United States may be used by any agency of the
14 Government without reimbursement from any appropriation
15 for the administrative and operating expenses of carrying out
16 the purpose of this Act. Funds made available for carrying
17 out the purpose of this Act in the Federal Republic of Ger-
18 many may, as authorized in subsection 114 (h) of the
19 Economic Cooperation Act of 1948, as amended (22 U. S. C.
20 1512 (h)), be transferred by the President to any depart-
21 ment or agency for the expenses necessary to meet the
22 responsibilities and obligations of the United States in the
23 Federal Republic of Germany.

1 SEC. 612. The Economic Cooperation Act of 1948, as
2 amended (~~22 U. S. C. 1501-1522~~), is hereby amended as
3 follows:

4 ~~(1)~~ In section 111 ~~(c)~~ by adding a new paragraph
5 as follows:

6 ~~“(3) From the funds made available under au-~~
7 ~~thority of the Mutual Security Act of 1951 for assistance~~
8 ~~to be provided under the applicable provisions of the~~
9 ~~Economic Cooperation Act of 1948, as amended (~~22~~~~
10 ~~U. S. C. 1501-1522), not less than 20 per centum shall~~
11 ~~be provided on credit terms as specified in that Act.”~~

12 ~~(2)~~ In section 115 ~~(b)~~ ~~(6)~~ by—

13 ~~(A)~~ inserting in the second proviso thereof after
14 “wealth” the following: “for the encouragement of emi-
15 gration pursuant to subsection ~~(c)~~ of this section”;

16 ~~(B)~~ adding in the last clause of the second proviso
17 “and operating” after “administrative”;

18 ~~(C)~~ striking from the last clause of the second
19 proviso “within such country”; and

20 ~~(D)~~ adding at the end thereof the following new
21 sentences: “The Administrator shall exercise the power
22 granted to him by this paragraph to make agreements
23 with respect to the use of the funds deposited in the
24 special accounts of the ‘participating countries’ (as de-
25 fined in section 103 ~~(a)~~ hereof) in such a manner that

1 the equivalent of not less than \$500,000,000 of such
 2 funds shall be used exclusively for military production in
 3 such 'participating countries'. The amount to be de-
 4 voted from each such special account for such use shall
 5 be agreed upon by the Administrator and the country
 6 or countries concerned".

7 SEC. 613. (a) Section 402 of the Mutual Defense
 8 Assistance Act of 1949, as amended (22 U. S. C. 1573), is
 9 hereby amended by striking out the period at the end thereof
 10 and inserting in lieu thereof a semicolon and the following:

11 "(e) Guarantees by such eligible nation that it will
 12 not undertake any act of aggression against any other
 13 state;

14 "(f) Guarantees by the eligible nation that it will
 15 notify the United States whenever it ceases to use any
 16 equipment or material furnished to it under this Act
 17 (other than equipment or material furnished under terms
 18 requiring the nation to reimburse the United States in
 19 full therefor) for the purposes of this Act and that it will
 20 transfer title to, and possession of, such equipment or
 21 material to the United States (1) for return to the
 22 continental United States for salvage or scrap, or (2)
 23 for such other disposition as the President shall deem to
 24 be in the interest of the United States."

25 (b) Section 408 (c) of the Mutual Defense Assistance

1 Act of 1949, as amended (~~22 U. S. C. 1580~~), is hereby
2 amended by adding in the first proviso thereof, after the
3 words "of which it is a part", the words "or in United
4 Nations collective security arrangements and measures",
5 and by changing the figure at the end thereof to
6 \$500,000,000".

7 SEC. 614. The proviso in the first sentence of section
8 ~~403 (d)~~ of the Mutual Defense Assistance Act of 1949, as
9 amended (~~22 U. S. C. 1574 (d)~~), is hereby amended to
10 read as follows: "*Provided*, That after June 30, 1950, such
11 limitation shall be increased by \$250,000,000 and after
12 June 30, 1951, by an additional \$450,000,000".

13 SEC. 615. Section 104, subsections ~~(b)~~ and ~~(c)~~ of sec-
14 tion 105, and sections 108 through 110 of the Economic
15 Cooperation Act of 1948, as amended, are hereby repealed.

16 SEC. 616. ~~(a)~~ In order to effectuate the purpose of sec-
17 tion 136 of the Legislative Reorganization Act of 1946, as
18 amended, the Committee on Foreign Affairs of the House of
19 Representatives is authorized to appoint and, in accordance
20 with the provisions of that Act, fix the compensation of such
21 professional and clerical personnel, in addition to those au-
22 thorized by existing law, as may be necessary to enable the
23 committee to oversee the performance by the executive agen-
24 cies concerned of their duties, responsibilities, and functions

1 under this Act in the interest of an efficient and economical
2 administration of this Act.

3 (b) There are hereby authorized to be appropriated
4 such sums as may be necessary to carry out the provisions
5 of this section, to be disbursed by the Clerk of the House of
6 Representatives on vouchers signed by the chairman.

7 (c) In every country where local currency is made
8 available for local currency expenses of the United States in
9 connection with assistance furnished by the United States,
10 the local currency administrative and operating expenses
11 incurred in fulfilling the purpose of this section shall be
12 charged to such local currency funds to the extent available.

13 SEC. 617. The Act for International Development is
14 amended as follows:

15 (1) By adding before the period at the end of section
16 404 (b) the following: “: *Provided*, That for the fiscal year
17 ending June 30, 1952, such contributions from funds made
18 available under authority of sections 101 (a) (2), 203, 302,
19 and 402 of the Mutual Security Act of 1951 shall not exceed
20 in the aggregate \$13,000,000, and the use of such contribu-
21 tions shall not be limited to the area covered by the section
22 of the Act from which the funds are drawn”.

1 ~~(2)~~ By adding at the end of section 407 a new para-
2 graph:

3 “(d) Participating countries shall be encouraged to
4 negotiate agreements with the United Nations and its special-
5 ized agencies, or otherwise, to establish for labor standards
6 of wages and working conditions and management-labor
7 relations.”

8 ~~(3)~~ By repealing sections 413 and 414.

9 SEC. 618. The Institute of Inter-American Affairs Act
10 is amended as follows:

11 ~~(1)~~ By striking out “Department of State” wherever it
12 occurs in section 5 and inserting in lieu thereof “Mutual
13 Security Administration”; and

14 ~~(2)~~ By amending section 8 to read as follows:

15 SEC. 8. The Mutual Security Administrator shall have
16 authority to detail employees of the Mutual Security Admin-
17 istration to the Institute under such circumstances and upon
18 such conditions as he may determine, and the Secretary of
19 State, upon the request of the Mutual Security Administrator,
20 may detail employees of the Department of State to the
21 Institute: *Provided*, That any such employee so detailed shall
22 not lose any privileges, rights, or seniority as an employee
23 of the Government by virtue of such detail.”

1 *That this Act may be cited as the "Mutual Security Act of*
2 *1951".*

3 *SEC. 2. The Congress declares it to be the purpose of*
4 *this Act to maintain the security and to promote the foreign*
5 *policy of the United States by authorizing military, economic,*
6 *and technical assistance to friendly countries to strengthen*
7 *the mutual security and individual and collective defenses of*
8 *the free world, to develop their resources in the interest of*
9 *their security and independence and the national interest*
10 *of the United States and to facilitate the effective participa-*
11 *tion of those countries in the United Nations system for col-*
12 *lective security. The purposes of the Mutual Defense Assist-*
13 *ance Act of 1949, as amended (22 U. S. C. 1571-1604),*
14 *the Economic Cooperation Act of 1948, as amended (22*
15 *U. S. C. 1501-1522), and the Act for International De-*
16 *velopment (22 U. S. C. 1557) shall hereafter be deemed*
17 *to include this purpose.*

18 *TITLE I—EUROPE*

19 *SEC. 101. (a) In order to support the freedom of Europe*
20 *through assistance which will further the carrying out of the*
21 *plans for defense of the North Atlantic area, while at the*
22 *same time maintaining the economic stability of the countries*
23 *of the area so that they may meet their responsibilities for*

1 defense, and to further encourage the economic unification and
2 the political federation of Europe, there are hereby authorized
3 to be appropriated to the President for the fiscal year 1952
4 for carrying out the provisions and accomplishing the policies
5 and purpose of this Act—

6 (1) not to exceed \$5,043,350,000 for assistance
7 pursuant to the provisions of the Mutual Defense Assist-
8 ance Act of 1949, as amended (22 U. S. C. 1571-
9 1604), for countries which are parties to the North
10 Atlantic Treaty and for any country of Europe (other
11 than a country covered by another title of this Act),
12 which the President determines to be of direct importance
13 to the defense of the North Atlantic area and whose in-
14 creased ability to defend itself the President determines
15 is important to the preservation of the peace and security
16 of the North Atlantic area and to the security of the
17 United States and not to exceed \$100,000,000 of such
18 appropriation for any selected persons who are residing
19 in or escapees from the Soviet Union, Poland, Czecho-
20 slovakia, Hungary, Rumania, Bulgaria, Albania, Lith-
21 uania, Latvia, and Estonia, or the Communist dominated
22 or occupied areas of Germany and Austria, and any other
23 countries absorbed by the Soviet Union either to form such
24 persons into elements of the military forces supporting the
25 North Atlantic Treaty Organization or for other purposes,

1 *when it is similarly determined by the President that such*
2 *assistance will contribute to the defense of the North*
3 *Atlantic area and to the security of the United States.*
4 *In addition, unexpended balances of appropriations here-*
5 *tofore made for carrying out the purposes of the Mutual*
6 *Defense Assistance Act of 1949, as amended, through*
7 *assistance to any of the countries covered by this para-*
8 *graph are hereby authorized to be continued available*
9 *through June 30, 1952, and to be consolidated with the*
10 *appropriation authorized by this paragraph. The*
11 *amount of funds made available pursuant to this para-*
12 *graph which may be utilized for purposes other than*
13 *assistance to countries which are parties to the North*
14 *Atlantic Treaty shall not exceed 10 per centum of the*
15 *amount made available (excluding balances of prior ap-*
16 *propriations continued available) under this paragraph.*

17 *(2) not to exceed \$1,130,500,000 for assistance*
18 *pursuant to the provisions of the Economic Cooperation*
19 *Act of 1948, as amended (22 U. S. C. 1501-1522)*
20 *(including assistance to further European military pro-*
21 *duction), for any country of Europe covered by para-*
22 *graph (1) of this subsection and for any other country*
23 *covered by section 103 (a) of the said Economic Coop-*
24 *eration Act of 1948, as amended. In addition, unex-*
25 *pended balances of appropriations heretofore made for*

1 *carrying out the purposes of the Economic Coopera-*
2 *tion Act of 1948, as amended, are hereby authorized*
3 *to be continued available through June 30, 1952, and to*
4 *be consolidated with the appropriation authorized by*
5 *this paragraph: Provided, That not to exceed \$10,000,-*
6 *000 of the funds made available pursuant to this para-*
7 *graph may be utilized to effectuate the purposes of section*
8 *115 (e) of the Economic Cooperation Act of 1948, as*
9 *amended.*

10 *(b) Not to exceed 5 per centum of the total of the ap-*
11 *propriations granted pursuant to this section may be trans-*
12 *ferred, when determined by the President to be necessary*
13 *for the purpose of this Act, between appropriations granted*
14 *pursuant to either paragraph of subsection (a): Provided,*
15 *That the amount herein authorized to be transferred shall be*
16 *determined without reference to any balances of prior appro-*
17 *priations continued available pursuant to this section: Pro-*
18 *vided further, That, whenever the President makes any such*
19 *determination, he shall forthwith notify the Committee on*
20 *Foreign Relations of the Senate, the Committee on Foreign*
21 *Affairs of the House of Representatives, and the Committees*
22 *on Armed Services of the Senate and of the House of Rep-*
23 *resentatives.*

1 *TITLE II—NEAR EAST AND AFRICA*

2 *SEC. 201. In order to further the purpose of this Act*
3 *by continuing to provide military assistance to Greece, Tur-*
4 *key, and Iran, there are hereby authorized to be appropri-*
5 *ated to the President for the fiscal year 1952, not to exceed*
6 *\$396,250,000 for furnishing assistance to Greece and Tur-*
7 *key pursuant to the provisions of the Act of May 22, 1947,*
8 *as amended (22 U. S. C. 1401-1410), and for furnishing*
9 *assistance to Iran pursuant to the provisions of the Mutual*
10 *Defense Assistance Act of 1949, as amended (22 U. S. C.*
11 *1571-1604). In addition, unexpended balances of appro-*
12 *priations heretofore made for assistance to Greece and Tur-*
13 *key, available for the fiscal year 1951, pursuant to the*
14 *Act of May 22, 1947, as amended, and for assistance to*
15 *Iran pursuant to the Mutual Defense Assistance Act of 1949,*
16 *as amended, are hereby authorized to be continued available*
17 *through June 30, 1952, and to be consolidated with the ap-*
18 *propriation authorized by this section.*

19 *SEC. 202. Whenever the President determines that such*
20 *action is essential for the purpose of this Act, he may provide*
21 *assistance, pursuant to the provisions of the Mutual Defense*
22 *Assistance Act of 1949, as amended, to any country of the*
23 *Near East area (other than those covered by section 201)*

1 and may utilize not to exceed 10 per centum of the amount
2 made available (excluding balances of prior appropriations
3 continued available) pursuant to section 201 of this Act:
4 *Provided, That any such assistance may be furnished only*
5 *upon determination by the President that (1) the strategic*
6 *location of the recipient country makes it of direct importance*
7 *to the defense of the Near East area, (2) such assistance is*
8 *of critical importance to the defense of the free nations, and*
9 *(3) the immediately increased ability of the recipient country*
10 *to defend itself is important to the preservation of the peace*
11 *and security of the area and to the security of the United*
12 *States.*

13 *SEC. 203. In order to further the purpose of this Act in*
14 *Africa and the Near East, there are hereby authorized to be*
15 *appropriated to the President, for the fiscal year 1952, not*
16 *to exceed \$122,500,000 for economic and technical assist-*
17 *ance in Africa and the Near East in areas other than those*
18 *covered by section 103 (a) of the Economic Cooperation Act*
19 *of 1948, as amended (22 U. S. C. 1502). Funds appro-*
20 *priated pursuant to this section shall be available under the*
21 *applicable provisions of the Economic Cooperation Act of*
22 *1948, as amended (22 U. S. C. 1501-1522), and of the*
23 *Act for International Development (22 U. S. C. 1557).*

24 *SEC. 204. Not to exceed \$40,000,000 of the funds author-*
25 *ized under section 203 hereof may be contributed to the United*

1 Nations during the fiscal year 1952, for the purposes, and
2 under the provisions, of the United Nations Palestine Refugee
3 Aid Act of 1950 (22 U. S. C. 1556): Provided, That,
4 whenever the President shall determine that it would more
5 effectively contribute to the purposes of the said United
6 Nations Palestine Refugee Aid Act of 1950, he may allocate
7 any part of such funds to any agency of the United States
8 Government to be utilized in furtherance of the purposes of
9 said Act, and any amount so allocated shall be a part of the
10 United States contribution to the United Nations Relief and
11 Works Agency for Palestine Refugees in the Near East.

12 SEC. 205. In order to assist in the relief of refugees
13 coming into Israel, not to exceed \$40,000,000 of the funds
14 authorized under section 203 hereof may be utilized during
15 the fiscal year 1952, under such terms and conditions as the
16 President may prescribe, for specific refugee relief and reset-
17 tlement projects in Israel.

18 TITLE III—ASIA AND PACIFIC

19 SEC. 301. In order to carry out in the general area of
20 China (including the Republic of the Philippines and the
21 Republic of Korea) the provisions of subsection (a) of
22 section 303 of the Mutual Defense Assistance Act of 1949,
23 as amended (22 U. S. C. 1604 (a)), there are hereby
24 authorized to be appropriated to the President for the fiscal
25 year 1952, not to exceed \$535,250,000. In addition, un-

1 expended balances of appropriations heretofore made for
2 carrying out the provisions of title III of the Mutual Defense
3 Assistance Act of 1949, as amended (22 U. S. C. 1602-
4 1604), are hereby authorized to be continued available
5 through June 30, 1952, and to be consolidated with the
6 appropriation authorized by this section. Not to exceed
7 \$50,000,000 of funds appropriated pursuant to this section
8 (excluding balances of appropriations continued available)
9 may be accounted for as provided in subsection (a) of said
10 section 303.

11 SEC. 302. (a) In order to further the purpose of this
12 Act through the strengthening of the area covered in section
13 301 of this Act (but not including the Republic of Korea),
14 there are hereby authorized to be appropriated to the Presi-
15 dent, for the fiscal year 1952, not to exceed \$178,750,000
16 for economic and technical assistance in those portions of
17 such area which the President deems to be not under Com-
18 munist control. Funds appropriated pursuant to authority
19 of this section shall be available under the applicable pro-
20 visions of the Economic Cooperation Act of 1948, as
21 amended (22 U. S. C. 1501-1522), and of the Act for Inter-
22 national Development (22 U. S. C. 1557). In addition,
23 unexpended balances of funds heretofore made available for
24 carrying out the purposes of the China Area Aid Act of
25 1950 (22 U. S. C. 1547), are hereby authorized to be con-

1 *tinued available through June 30, 1952, and to be con-*
2 *solidated with the appropriation authorized by this section.*

3 *(b) The third proviso of section 202 of the China Area*
4 *Aid Act of 1950 is amended by inserting "and of Korea"*
5 *after "selected citizens of China" the first time it appears*
6 *therein.*

7 *SEC. 303. (a) In order to provide for a United States*
8 *contribution to the United Nations Korean Reconstruction*
9 *Agency, established by the resolution of the General As-*
10 *sembly of the United Nations of December 1, 1950, there are*
11 *hereby authorized to be appropriated to the President not*
12 *to exceed \$75,750,000. In addition, unobligated balances*
13 *of the appropriations heretofore made, and available during*
14 *the fiscal year 1951, for assistance to Korea under authority*
15 *of the Far Eastern Economic Assistance Act of 1950, as*
16 *amended (22 U. S. C. 1543, 1551, 1552), are hereby*
17 *authorized to be continued available through June 30, 1952,*
18 *and to be consolidated with the appropriation authorized*
19 *by this section. Not to exceed 50 per centum of the total*
20 *of the appropriations authorized by this section may, when*
21 *determined by the President to be necessary for the purposes*
22 *of this Act, be transferred to and consolidated with the*
23 *appropriation authorized by paragraph 302 (a).*

24 *(b) The sums made available pursuant to subsection*
25 *(a) may be contributed from time to time on behalf of the*
26 *United States in such amounts as the President determines to*

1 *be appropriate to support those functions of the United*
2 *Nations Korean Reconstruction Agency which the military*
3 *situation in Korea permits the Agency to undertake pursuant*
4 *to arrangements between the Agency and the United Nations*
5 *Unified Command. The aggregate amount which may be*
6 *contributed on behalf of the United States pursuant to the*
7 *preceding sentence shall be reduced by the value of goods*
8 *and services made available to Korea by any department*
9 *or agency of the United States for relief and economic assist-*
10 *ance after the assumption of responsibility for relief and*
11 *rehabilitation operations in Korea by the United Nations*
12 *Korean Reconstruction Agency.*

13 *(c) The provisions of subsections 304 (a) and (b) of*
14 *the United Nations Palestine Refugee Aid Act of 1950 (22*
15 *U. S. C. 1556 (b)) are hereby made applicable with respect*
16 *to Korean assistance furnished under this section.*

17 *(d) Unencumbered balances of sums heretofore or here-*
18 *after deposited in the special account established pursuant*
19 *to paragraph (2) of article V of the agreement of December*
20 *10, 1948, between the United States of America and the*
21 *Republic of Korea (62 Stat., part 3, 3788) shall be used*
22 *in Korea for such purposes as the President determines*
23 *to be consistent with United Nations programs for assistance*

1 to Korea and as may be agreed to between the Government
2 of the United States and the Republic of Korea.

3 (e) The functions of the Administrator for Economic
4 Cooperation under the provisions of section 3 of the Far
5 Eastern Economic Assistance Act of 1950, as amended (22
6 U. S. C. 1551), shall hereafter be performed by such de-
7 partments or agencies of the Government as the President
8 shall direct.

9 TITLE IV—AMERICAN REPUBLICS

10 SEC. 401. In order to further the purpose of this Act
11 through the furnishing of military assistance to the other
12 American Republics, there are hereby authorized to be ap-
13 propriated to the President, for the fiscal year 1952, not to
14 exceed \$38,150,000 for carrying out the purposes of this
15 section under the provisions of the Mutual Defense Assistance
16 Act of 1949, as amended: Provided, That such assistance
17 may be furnished only in accordance with defense plans which
18 are found by the President to require the recipient country
19 to participate in missions important to the defense of the
20 Western Hemisphere. Any such assistance shall be subject
21 to agreements, as provided herein and as required by section
22 402 of the Mutual Defense Assistance Act of 1949, as
23 amended (22 U. S. C. 1573), designed to assure that the

1 assistance will be used to promote the defense of the Western
2 Hemisphere; and after agreement by the Government of the
3 United States and the country concerned with respect to such
4 missions, military assistance hereunder shall be furnished
5 only in accordance with such agreement.

6 *SEC. 402. In order to further the purpose of this Act*
7 *among the peoples of the American Republics through the*
8 *furnishing of technical assistance, there are hereby author-*
9 *ized to be appropriated to the President, for the fiscal year*
10 *1952, not to exceed \$15,250,000 for assistance under the*
11 *provisions of the Act for International Development (22*
12 *U. S. C. 1557) and of the Institute of Inter-American*
13 *Affairs Act, as amended (22 U. S. C. 281).*

14 *TITLE V—GENERAL PROVISIONS*

15 *COORDINATION OF ACTIVITIES*

16 *SEC. 501. (a) Responsibility for the coordination of*
17 *activities of, or resolution of conflicts among, the various*
18 *departments and agencies of the Government exercising func-*
19 *tions under this Act shall be in the Executive Office of the*
20 *President. No person may serve in any office, or on any*
21 *board established for the purpose of advising the President*
22 *on such matters while at the same time he is an officer or*
23 *employee of any other department or agency of the Govern-*
24 *ment. Any person or persons appointed to such office or to*

1 serve as a member of such board shall be appointed by the
2 President, by and with the advice and consent of the Senate.

3 (b) For the purpose of carrying out the provisions of
4 this section the President is authorized to utilize the positions
5 created in subsection 406 (e) of the Mutual Defense Assist-
6 ance Act of 1949, as amended.

7 SEC. 502. The President shall prescribe appropriate
8 procedures to assure coordination among representatives of
9 the United States Government in each country, under the
10 leadership of the Chief of the United States Diplomatic
11 Mission.

12 ELIGIBILITY FOR ASSISTANCE

13 SEC. 503. (a) No military, economic, or technical
14 assistance authorized pursuant to this Act (other than assist-
15 ance provided under section 408 (e) of the Mutual Defense
16 Assistance Act of 1949, as amended) shall be supplied to
17 any nation in order to further military effort unless the
18 President finds that the supplying of such assistance will
19 strengthen the security of the United States and unless the
20 recipient country has agreed to—

21 (1) join in promoting international understanding
22 and good will, and maintaining world peace;

23 (2) take such action as may be mutually agreed
24 upon to eliminate causes of international tension;

1 (3) fulfill the military obligations which it has as-
2 sumed under multilateral or bilateral agreements or
3 treaties to which the United States is a party;

4 (4) make, consistent with its political and economic
5 stability, the full contribution permitted by its manpower,
6 resources, facilities, and general economic condition to the
7 development and maintenance of its own defensive
8 strength and the defensive strength of the free world;

9 (5) take all reasonable measures which may be
10 needed to develop its defense capacities; and

11 (6) take appropriate steps to insure the effective
12 utilization of the economic and military assistance pro-
13 vided by the United States.

14 (b) No economic or technical assistance shall be sup-
15 plied to any other nation unless the President finds that the
16 supplying of such assistance will strengthen the security of
17 the United States and promote world peace, and unless the
18 recipient country has agreed to join in promoting inter-
19 national understanding and good will, and in maintaining
20 world peace, and to take such action as may be mutually
21 agreed upon to eliminate causes of international tension.

22 RESPONSIBILITIES OF SECRETARY OF DEFENSE

23 SEC. 504. In the case of aid under this Act for military
24 items and related technical assistance and advice, the Sec-

1 retary of Defense shall have primary responsibility and
2 authority for—

3 (a) the determination of military end-item require-
4 ments;

5 (b) the procurement of military equipment in a
6 manner which permits its integration with service
7 programs;

8 (c) establishment of priorities in procurement and
9 deliveries, the allocation of military equipment and the
10 apportionment of funds between services and countries
11 within each area specified in the Act;

12 (d) the supervision of end-item use by the recipient
13 countries;

14 (e) the supervision of the training of foreign mili-
15 tary personnel; and

16 (f) the movement and delivery of military end items.

17 TERMINATION OF ASSISTANCE

18 SEC. 505. (a) After June 30, 1954, or after the date
19 of the passage of a concurrent resolution by the two Houses
20 of Congress before such date, none of the authority conferred
21 by the Mutual Defense Assistance Act of 1949, as amended
22 (22 U. S. C. 1571-1604) may be exercised; except that
23 during the twelve months following such date equipment,
24 materials, commodities, and services with respect to which

1 procurement for, shipment to, or delivery in a recipient
2 country had been authorized prior to such date, may be trans-
3 ferred to such country, and funds appropriated under author-
4 ity of this Act may be obligated during such twelve-month
5 period for the necessary expenses of procurement, shipment,
6 delivery, and other activities essential to such transfer and
7 shall remain available during such period for the necessary
8 expenses of liquidating operations under this Act.

9 (b) At such time as the President shall find appro-
10 priate after such date, and prior to the expiration of the
11 twelve months following such date, the powers, duties, and
12 authority conferred by the Mutual Defense Assistance Act
13 of 1949, as amended, may be transferred for the purpose
14 of liquidation to such other departments, agencies, or estab-
15 lishments of the Government as the President shall specify,
16 and the relevant funds, records, property and personnel may
17 be transferred to the departments, agencies, or establishments
18 to which the related functions are transferred.

19 (c) On or before March 30, 1952, the President shall
20 submit to the Congress a reorganization plan under the Re-
21 organization Act of 1949 (5 U. S. C. 133z) abolishing the
22 Economic Cooperation Administration and transferring such
23 of the powers and functions conferred upon the Adminis-
24 trator by the Economic Cooperation Act of 1948, as amended,
25 as are necessary to carry out the purposes of the Mutual

1 *Security Act of 1951, to such other agency, or agencies, of*
2 *the Government, as appropriate, and the powers and functions*
3 *so transferred shall, notwithstanding the provisions of section*
4 *122 of the Economic Cooperation Act of 1948, as amended, con-*
5 *tinue until July 1, 1954, unless terminated earlier by concurrent*
6 *resolution of the two Houses of Congress. The liquidation*
7 *provisions of section 122 of the Economic Cooperation Act*
8 *of 1948, as amended, shall become effective on July 1, 1954,*
9 *or the effective date of such concurrent resolution, whichever*
10 *is earlier, and be administered by the agency or agencies to*
11 *which any such power or function is transferred.*

12 *TERMINATION OF ASSISTANCE BY PRESIDENT*

13 *SEC. 506. The President shall terminate all or part of*
14 *any assistance furnished pursuant to this Act under any of*
15 *the following circumstances:*

16 *(a) If requested by any nation to which assistance*
17 *is being rendered;*

18 *(b) If the President determines that the furnishing*
19 *of assistance to any nation is no longer consistent with*
20 *the national interest or security of the United States or*
21 *the policies and purposes of this Act; or*

22 *(c) If the President determines that provision of*
23 *assistance would contravene any decision of the Security*
24 *Council of the United Nations, or if the President other-*
25 *wise determines that provision of assistance to any nation*

1 *would be inconsistent with the obligation of the United*
2 *States under the Charter of the United Nations to refrain*
3 *from giving assistance to any nation against which the*
4 *United Nations is taking preventive or enforcement action*
5 *or in respect of which the General Assembly finds the*
6 *continuance of such assistance is undesirable.*

7 The function conferred herein shall be in addition to all
8 other functions heretofore conferred with respect to the
9 termination of military, economic, or technical assistance.

10 *EFFECTIVE DATE*

11 *SEC. 507. All provisions of this Act except section 503*
12 *shall take effect upon the date of its enactment. Such section*
13 *shall take effect ninety days thereafter.*

14 *SEC. 508. Whenever the President determines it to be*
15 *necessary for the purpose of this Act, not to exceed 10 per*
16 *centum of the funds made available under any title of this*
17 *Act may be transferred to and consolidated with funds made*
18 *available under any other title of this Act in order to furnish,*
19 *to a different area, assistance of the kind for which such*
20 *funds were available before transfer. Whenever the Presi-*
21 *dent makes any such determination, he shall forthwith notify*
22 *the Committee on Foreign Relations of the Senate, the Com-*
23 *mittee on Foreign Affairs of the House of Representatives,*
24 *and the Committees on Appropriations of the Senate and*

1 *House of Representatives. In the case of the transfer of*
2 *funds available for military purposes, he shall also forthwith*
3 *notify the Committees on Armed Services of the Senate and*
4 *House of Representatives.*

5 *SEC. 509. In order to promote the increased production,*
6 *in areas covered by this Act, of materials in which the United*
7 *States is deficient, not to exceed \$55,000,000 of the funds*
8 *authorized to be appropriated pursuant to section 101 (a)*
9 *(2) of this Act may be used pursuant to the authority con-*
10 *tained in the Economic Cooperation Act of 1948, as amended*
11 *(22 U. S. C. 1501-1522).*

12 *SEC. 510. (a) As used in this section—*

13 *(1) the term “invention” means an invention or*
14 *discovery covered by a patent issued by the United States,*
15 *and*

16 *(2) the term “information” means information*
17 *originated by or peculiarly within the knowledge of*
18 *the owner thereof and those in privity with him, which*
19 *is not available to the public and is subject to protection*
20 *as property under recognized legal principles.*

21 *(b) Whenever, in connection with the furnishing of any*
22 *assistance in furtherance of the purpose of this Act—*

23 *(1) use within the United States, without authori-*
24 *zation by the owner, shall be made of an invention, or*

1 (2) damage to the owner shall result from the dis-
2 closure of information by reason of acts of the United
3 States or its officers or employees,
4 the exclusive remedy of the owner of such invention or
5 information shall be by suit against the United States in the
6 Court of Claims or in the District Court of the United States
7 for the district in which such owner is a resident for reason-
8 able and entire compensation for unauthorized use or, dis-
9 closure. In any such suit the United States may avail itself
10 of any and all defenses, general or special, that might be
11 pleaded by any defendant in a like action.

12 (c) Before such suit against the United States has been
13 instituted, the head of the appropriate department or agency
14 of the Government, which has furnished any assistance
15 in furtherance of the purpose of this Act, is authorized and
16 empowered to enter into an agreement with the claimant,
17 in full settlement and compromise of any claim against the
18 United States hereunder.

19 (d) Except as otherwise provided by law, no recovery
20 shall be had for any infringement of a patent committed
21 more than six years prior to the filing of the complaint or
22 counterclaim for infringement in the action, except that the
23 period between the date of receipt by the Government of a
24 written claim under subsection (c) above for compensa-
25 tion for infringement of a patent and the date of mailing by

1 the Government of a notice to the claimant that his claim
2 has been denied shall not be counted as part of the six years,
3 unless suit is brought before the last-mentioned date.

4 SEC. 511. The President, from time to time while funds
5 appropriated for the purpose of this Act continue to be
6 available for obligation, shall transmit to the Congress, in
7 lieu of any reports otherwise required by laws continued in
8 effect by this Act, reports covering each six months of opera-
9 tions in furtherance of the purpose of this Act, except infor-
10 mation the disclosure of which he deems incompatible with the
11 security of the United States. The first such report shall
12 cover the six-month period commencing on the date this Act
13 becomes effective. Reports provided for under this section
14 shall be transmitted to the Secretary of the Senate or the
15 Clerk of the House of Representatives, as the case may be,
16 if the Senate or the House of Representatives, as the case
17 may be, is not in session.

18 SEC. 512. (a) Upon a determination by the President
19 that it will further the purpose of this Act, not to exceed
20 \$10,000,000 of the funds made available pursuant to sec-
21 tion 203 of this Act and not to exceed \$25,000,000 of funds
22 made available pursuant to section 302 of this Act may be
23 advanced to countries covered by said sections in return for
24 equivalent amounts of the currency of such countries being
25 made available to meet local currency needs of the aid pro-

1 *grams in such countries pursuant to agreements made in*
2 *advance with the United States: Provided, That except when*
3 *otherwise prescribed by the President as necessary to the*
4 *effective accomplishment of the aid programs in such countries,*
5 *all funds so advanced shall be held under procedures set out*
6 *in such agreements until used to pay for goods and services*
7 *approved by the United States or until repaid to the United*
8 *States for reimbursement to the appropriation from which*
9 *drawn.*

10 *(b) In order to assist in carrying out the provisions of*
11 *the Economic Cooperation Act of 1948, as amended, not*
12 *to exceed \$50,000,000 of funds made available under the*
13 *authority of this Act for assistance pursuant to the pro-*
14 *visions of the Economic Cooperation Act of 1948, as amended*
15 *(22 U. S. C. 1501-1522), may be used to acquire local*
16 *currency for the purpose of increasing the production of*
17 *materials in which the United States is deficient.*

18 *SEC. 513. Funds realized from the sales of notes pur-*
19 *suant to section 111 (c) (2) of the Economic Cooperation*
20 *Act of 1948, as amended, shall be available for making*
21 *guaranties of investments in accordance with the applicable*
22 *provisions of sections 111 (b) (3) and 111 (c) (2) of the*
23 *Economic Cooperation Act, as amended, in any area in*
24 *which assistance is authorized by this Act.*

25 *SEC. 514. Funds made available for carrying out the*

1 provisions of title I of this Act shall be available for the
2 administrative expenses of carrying out the purposes of all
3 of the titles of this Act, including expenses incident to United
4 States participation in international security organizations
5 and expenses in the United States in connection with pro-
6 grams authorized under the Act for International Develop-
7 ment. Any currency of any nation received by the United
8 States for its own use in connection with assistance furnished
9 by the United States may be used by any agency of the
10 Government without reimbursement from any appropriation
11 for the administrative and operating expenses of carrying out
12 the purpose of this Act. Funds made available for carrying
13 out the purpose of this Act in the Federal Republic of Ger-
14 many may, as authorized in subsection 114 (h) of the
15 Economic Cooperation Act of 1948, as amended (22 U. S. C.
16 1512 (h)), be transferred by the President to any depart-
17 ment or agency for the expenses necessary to meet the
18 responsibilities and obligations of the United States in the
19 Federal Republic of Germany.

20 SEC. 515. Section 115 (b) (6) of the Economic Coop-
21 eration Act of 1948, as amended (22 U. S. C. 1513 (b)
22 (6)), is hereby amended by—

23 (a) inserting in the second proviso thereof after
24 “wealth” the following: “for the encouragement of
25 emigration pursuant to subsection (e) of this section”;

1 (b) adding in the last clause of the second proviso
2 “and operating” after “administrative”;

3 (c) striking from the last clause of the second pro-
4 viso “within such country”;

5 (d) substituting in the fourth proviso the words
6 “upon termination of assistance to such country under
7 this Act” in place of the words “on June 30, 1952”;
8 and

9 (e) adding at the end thereof the following new
10 sentences: “The Administrator shall exercise the power
11 granted to him by this paragraph to make agreements
12 with respect to the use of the funds deposited in the special
13 accounts of the countries receiving assistance under the
14 Mutual Defense Assistance Act of 1949, as amended,
15 in such a manner that the equivalent of not less than
16 \$500,000,000 of such funds shall be used exclusively for
17 military production, construction, equipment, and
18 matériel in such countries. The amount to be devoted
19 from each such special account for such use shall be
20 agreed upon by the Administrator and the country or
21 countries concerned.”.

22 SEC. 516. (a) The President shall make appropriate
23 arrangements with each nation receiving equipment or ma-
24 terial under the Mutual Defense Assistance Act of 1949, as
25 amended (other than equipment or material furnished under

1 terms requiring the nation to reimburse the United States
2 in full therefor), for the return to the United States (1) for
3 salvage or scrap, or (2) for such other disposition as the
4 President shall deem to be in the interest of mutual security,
5 of any of such equipment or material as is no longer re-
6 quired for the purposes for which originally made available.

7 (b) Section 408 (e) of the Mutual Defense Assistance
8 Act of 1949, as amended (22 U. S. C. 1580), is hereby
9 amended by adding in the first proviso thereof, after the
10 words "of which it is a part", the words "or in United
11 Nations collective security arrangements and measures", and
12 by changing the figure at the end of such section 408 (e) to
13 "\$500,000,000".

14 SEC. 517. The proviso in the first sentence of section
15 403 (d) of the Mutual Defense Assistance Act of 1949, as
16 amended (22 U. S. C. 1574 (d)), is hereby amended to
17 read as follows: "Provided, That after June 30, 1950, such
18 limitation shall be increased by \$250,000,000 and after
19 June 30, 1951, by an additional \$150,000,000".

20 SEC. 518. (a) The Act for International Development
21 is amended by adding before the period at the end of section
22 404 (b) the following: ": Provided, That for the fiscal year
23 ending June 30, 1952, such contributions from funds made
24 available under authority of sections 101 (a) (2), 203, 302,
25 and 402 of the Mutual Security Act of 1951 shall not exceed

1 in the aggregate \$13,000,000, and the use of such contribu-
2 tions shall not be limited to the area covered by the section
3 of the Act from which the funds are drawn”.

4 (b) Section 414 of such Act is amended to read as
5 follows:

6 “SEC. 414. No citizen or resident of the United States,
7 whether or not now in the employ of the Government, may
8 be employed or assigned to duties by the Government under
9 this Act for a period to exceed three months until such indi-
10 vidual has been investigated by the Civil Service Commis-
11 sion and a report has been made to the Secretary of State:
12 Provided, however, That in the event the Civil Service Com-
13 mission discovers evidence of disloyalty or that the indi-
14 vidual may be a security risk the matter will then be referred
15 to the Federal Bureau of Investigation for a full field inves-
16 tigation: Provided further, That no such individual may be
17 employed or assigned to duties by the Government under this
18 Act until the Civil Service Commission has made a name
19 check of the files of the Federal Bureau of Investigation
20 and a report thereon has been made to the Secretary of State:
21 Provided further, That, prior to the receipt of a report of
22 the Civil Service Commission, persons may be given tempo-
23 rary employment without acquiring any civil-service status,
24 exclusively for purposes of job training within the United
25 States not involving access to any classified information:

1 *Provided further, That any present employee of the Gov-*
2 *ernment, pending the report as to such employee by the Civil*
3 *Service Commission, may be employed or assigned to duties*
4 *under this Act for the period of three months from the date*
5 *of its enactment. This section shall not apply in the case*
6 *of any officer appointed by the President by and with the*
7 *advice and consent of the Senate."*

Passed the House of Representatives August 17, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.

82D CONGRESS
1ST SESSION

H. R. 5113

[Report No. 703]

AN ACT

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

AUGUST 20 (legislative day, AUGUST 1), 1951

Read twice and referred to the Committees on Foreign Relations and Armed Services, jointly

AUGUST 27 (legislative day, AUGUST 1), 1951

Reported with an amendment



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 82^d CONGRESS, FIRST SESSION

Vol. 97

WASHINGTON, MONDAY, AUGUST 27, 1951

No. 158

House of Representatives

The House was not in session today. Its next meeting will be held on Wednesday, September 12, 1951, at 12 o'clock noon.

Senate

MONDAY, AUGUST 27, 1951

(Legislative day of Wednesday, August 1, 1951)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. Otto C. Nelson, executive secretary, southeastern branch, American Leprosy Mission, Atlanta, Ga., offered the following prayer:

Our Father, we have more cause to be grateful than any people. Our land has been blessed from the beginning of its history as no other land. We have not always lived up to the high honor that has been ours, nor have we always fulfilled our responsibilities as we should. But Thou hast continued to stand by us, to give us victory in conflict, and to prosper us in material things. Now the greatest honor we can ask is that Thou wilt continue with us. Give unto these, Thy servants, wisdom in government and in dealing with other nations. May Thy peace abide with them, with our Nation, and with our needy world. We pray in the name of our Lord Christ. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 24, 1951, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LEHMAN, and by unanimous consent, the Labor-Management Relations Subcommittee of the Committee on Labor and Public Welfare was authorized to meet today during the session of the Senate.

MUTUAL DEFENSE ASSISTANCE CONTROL ACT OF 1951

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 4550, Calendar No. 658.

Mr. KEM. Mr. President—
The PRESIDENT pro tempore. The bill will be stated by title.

Mr. McFARLAND. Mr. President—
Mr. KEM. Mr. President—
The PRESIDENT pro tempore. The bill will be stated by title first by the Secretary.

The LEGISLATIVE CLERK. A bill (H. R. 4550) to provide for the control by the United States and cooperating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, and for other purposes.

Mr. McFARLAND. Mr. President—
Mr. KEM. I object to the present consideration of that bill.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Arizona.

Mr. McFARLAND. Mr. President—
Mr. KEM. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Missouri?

Mr. McFARLAND. No; not now, Mr. President. I understand the distinguished Senator from Missouri wishes to be heard on the motion, and I was not trying to obtain consideration of the motion now.

The PRESIDENT pro tempore. The motion is debatable.

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. But I ask unanimous consent that Senators be permitted

to make insertions in the Record and transact other routine business.

The PRESIDENT pro tempore. Is there objection?

Mr. WHERRY. Mr. President, the unanimous-consent request goes only to insertions of matters in the Record?

Mr. McFARLAND. And transaction of other routine business.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENTS OF ORGANIC ACT OF GUAM—RESOLUTIONS OF GUAM LEGISLATURE

The PRESIDENT pro tempore laid before the Senate two resolutions of the First Guam Legislature, 1951, which were referred to the Committee on Interior and Insular Affairs, as follows:

Resolution 35

Resolution relative to memorializing the Congress of the United States, the President of the United States, the Secretary of the Interior, and the Governor of Guam respecting the amendment of section 23 of the Organic Act

Whereas the Guam Legislature has enacted an act which retains in the District Court of Guam original jurisdiction of civil cases under the laws of Guam involving more than \$2,000; and

Whereas the Guam Legislature is desirous of retaining in the District Court of Guam original jurisdiction of criminal cases of felony arising under the laws of Guam; and

Whereas section 23 of the Organic Act of Guam does not provide for appeals to the United States Court of Appeals for the Ninth Circuit in such cases unless they involve questions under the Constitution, laws, or treaties of the United States, or, in civil cases, more than \$5,000; and

Whereas in the cases of all other Territories of the United States appeals from the district court to the proper United States Court of Appeals are allowed in all cases by section 1291 of title 28, United States Code: Now, therefore, be it

Resolved by the Guam Legislature, That the Congress and President of the United States are hereby respectfully petitioned and memorialized to amend section 23 of the Organic Act of Guam so as to authorize appeals to the United States Court of Appeals for the Ninth Circuit from the final decisions of the District Court of Guam in all cases of every kind; and be it further

Resolved, That the Secretary of the Interior and the Governor of Guam are hereby respectfully requested to assist in the accomplishment of the purpose of this resolution; and be it further

Resolved, That the executive secretary of the Guam Legislature be and she is hereby authorized and directed to transmit copies of this resolution to the Senate and House of Representatives of the United States and the President of the United States, the Secretary of the Interior, and the Governor of Guam.

Resolution 36

Resolution relative to memorializing the Congress of the United States, the President of the United States, the Secretary of the Interior, and the Governor of Guam respecting the amendment of section 24 of the Organic Act

Whereas the Guam Legislature has enacted an act which confers upon the District Court of Guam appellate jurisdiction to review decisions of the Island Court of Guam in all cases; and

Whereas said act provides that such review shall be had by an appellate division of the district court consisting of the judge appointed for the court by the President and of two circuit or district judges assigned to the court by the Chief Justice of the United States pursuant to the provisions of section 24 (a) of the Organic Act; and

Whereas it would be in the public interest to permit the Chief Justice to assign a judge of the Island Court of Guam as well as a circuit or district judge to sit in the District Court of Guam in order to act in case of the absence or disability of the judge of the court and to sit as one of the judges of the appellate division in cases in which he was not disqualified: Now, therefore, be it

Resolved by the Guam Legislature, That the Congress and President of the United States are hereby respectfully petitioned and memorialized to amend section 24 (a) of the Organic Act of Guam so as to authorize the Chief Justice of the United States to assign a judge of the Island Court of Guam to serve as a judge in the District Court of Guam whenever it is made to appear that such assignment is necessary for the proper dispatch of the business of the court; and be it further

Resolved, That the executive secretary of the Guam Legislature be and she is hereby authorized and directed to transmit copies of this resolution to the Senate and House of Representatives of the United States, the President of the United States, the Secretary of the Interior, and the Governor of Guam.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CONNALLY, from the Committees on Foreign Relations and Armed Services, jointly:

H. R. 5113. A bill to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security; with an amendment (Rept. No. 703).

By Mr. McCARRAN, from the Committee on the Judiciary, without amendment:

S. 715. A bill for the relief of Ana Cobo Alonso (Rept. No. 704);

H. R. 1253. A bill for the relief of Jack A. Witham (Rept. No. 705);

H. R. 1463. A bill for the relief of David Lee Harrigan (Rept. No. 706);

H. R. 2165. A bill for the relief of Matthew Terry (Rept. No. 707);

H. R. 2459. A bill for the relief of Ollie O. Evans, Jr. (Rept. No. 708);

H. R. 2498. A bill for the relief of Marianne and Michel Speelman (Rept. No. 709);

H. R. 2807. A bill for the relief of Stanislaw Poborski (Rept. No. 710);

H. R. 3026. A bill for the relief of Joseph A. Ferrari (Rept. No. 711);

H. R. 3731. A bill for the relief of Megumi Takagi (Rept. No. 712); and

H. R. 4688. A bill for the relief of Cecelia Wahls (Rept. No. 719).

By Mr. McCARRAN, from the Committee on the Judiciary, with an amendment:

S. 16. A bill to provide for payment of an annuity to widows of judges (Rept. No. 716);

S. 1437. A bill for the relief of Maiku Suzuki (Rept. No. 713);

S. 2027. A bill for the relief of Leo Kieve (Rept. No. 714); and

H. R. 990. A bill to confer jurisdiction on the Court of Claims to hear, determine, adjudicate, and render judgment on the claim of Preston L. Watson, as administrator of the goods and chattels, rights, and credits which were of Robert A. Watson, deceased (Rept. No. 715).

By Mr. McCARRAN, from the Committee on the Judiciary, with amendments:

S. 1570. A bill to amend the immunity provision relating to testimony given by witnesses before either House of Congress or their committees (Rept. No. 717).

EXECUTIVE MESSAGE REFERRED

As in executive session.

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session.

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Luther W. Youngdahl, of Minnesota, to be United States district judge for the District of Columbia, vice T. Alan Goldsborough, deceased;

Carl J. Werner, of Illinois, to be United States marshal for the eastern district of Illinois;

Otto Schoen, of Missouri, to be United States marshal for the eastern district of Missouri; and

Roberto H. Todd, Jr., of Puerto Rico, to be chief justice of the Supreme Court of Puerto Rico, vice Angel R. de Jesus, deceased.

By Mr. HENDRICKSON, from the Committee on the Judiciary:

Charles S. Duncombe, of New Jersey, to be the position of Examiner in Chief on the Board of Appeals of the United States Patent Office.

INTERNAL SECURITY—INCREASE IN LIMIT OF EXPENDITURE BY JUDICIARY COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report favorably an original resolution, and I submit a report (No. 718) thereon.

The PRESIDENT pro tempore. The report will be received, and the resolu-

tion will be referred to the Committee on Rules and Administration.

The resolution (S. Res. 198) was referred to the Committee on Rules and Administration, as follows:

Resolved, That the limitation of expenditures under Senate Resolution 366, Eighty-first Congress, relating to the internal security of the United States, agreed to December 21, 1950, is hereby increased by \$195,000, and such sum together with any unexpended balance of the sums previously authorized to be expended under such resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee and covering obligations incurred under such resolution on or before January 31, 1953.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CASE:

S. 2053. A bill to authorize and direct the Indian Claims Commission to determine the liability for the engagement in the vicinity of Wounded Knee, S. Dak., on December 29, 1890, and make recommendations in respect thereto; to the Committee on Interior and Insular Affairs.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, and so forth, were ordered to be printed in the Appendix, as follows:

By Mr. MARTIN:

Address by him on dispersal of industry in the United States, broadcast to the people of Pennsylvania as program No. 48 in the series Happenings in Washington.

By Mr. LANGER:

Editorial entitled "London Milk Producers Study Koch Treatment for Mastitis," published in the Ontario Milk Producer for July 1951.

Editorial entitled "Charity Begins Elsewhere" from the Bismarck Tribune of August 23, 1951, dealing with American appropriations for foreign countries.

Letter from James H. Rademacher, Jr., president of the National Association of Letter Carriers, and article entitled "Post Office Workers' Plight Is Cited," from the Detroit News of August 23, 1951, the letter and article dealing with proposed pay increases for postal employees.

By Mr. JOHNSON of Colorado:

Statement by Richard J. Rossback expressing gratitude to the Government for favors received by him as a veteran.

By Mr. BUTLER of Nebraska:

Editorial entitled "The Old Law Works," published in the Charlotte (N. C.) Observer of August 24, 1951 regarding the effect on prices of the operation of the law of supply and demand.

By Mr. GREEN:

Letter entitled "As Patients See It," from John D. Kettelle, of Barrington, R. I., published in the Providence (R. I.) Journal of Wednesday, August 22, 1951, regarding treatment of veterans in United States Veterans' Administration Hospital at Providence, R. I.

EXCHANGE OF NOTES BETWEEN INDIA AND THE UNITED STATES REGARDING THE JAPANESE PEACE TREATY

Mr. SMITH of New Jersey. Mr. President, those of us who are about to go to San Francisco for the proceedings in connection with the Japanese Peace Treaty, and especially those of us who are on the subcommittee of the Foreign

vide the basis for you to direct that some of the Federal disaster relief funds and disaster loan funds should be made available for assistance to those citizens in my State who are the victims of this forest-fire disaster."

MUTUAL SECURITY ACT OF 1951

Mr. MCFARLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 5113.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committees on Foreign Relations and Armed Services, jointly, with an amendment, to strike out all after the enacting clause and insert:

That this act may be cited as the "Mutual Security Act of 1951."

SEC. 2. The Congress declares it to be the purpose of this act to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and the Act for International Development (22 U. S. C. 1557) shall hereafter be deemed to include this purpose.

TITLE I—EUROPE

SEC. 101. (a) In order to support the freedom of Europe through assistance which will further the carrying out of the plans for defense of the North Atlantic area, while at the same time maintaining the economic stability of the countries of the area so that they may meet their responsibilities for defense, and to further encourage the economic unification and the political federation of Europe, there are hereby authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and accomplishing the policies and purposes of this act—

(1) not to exceed \$5,043,350,000 for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), for countries which are parties to the North Atlantic treaty and for any country of Europe (other than a country covered by another title of this act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States and not to exceed \$100,000,000 of such appropriation for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist dominated or occupied areas of

Germany and Austria, and any other countries absorbed by the Soviet Union either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance will contribute to the defense of the North Atlantic area and to the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph. The amount of funds made available pursuant to this paragraph which may be utilized for purposes other than assistance to countries which are parties to the North Atlantic Treaty shall not exceed 10 percent of the amount made available (excluding balances of prior appropriations continued available) under this paragraph.

(2) not to exceed \$1,130,500,000 for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522) (including assistance to further European military production), for any country of Europe covered by paragraph (1) of this subsection and for any other country covered by section 103 (a) of the said Economic Cooperation Act of 1948, as amended. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph: *Provided*, That not to exceed \$10,000,000 of the funds made available pursuant to this paragraph may be utilized to effectuate the purposes of section 115 (e) of the Economic Cooperation Act of 1948, as amended.

(b) Not to exceed 5 percent of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purpose of this act, between appropriations granted pursuant to either paragraph of subsection (a): *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.

TITLE II—NEAR EAST AND AFRICA

SEC. 201. In order to further the purpose of this act by continuing to provide military assistance to Greece, Turkey, and Iran, there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$396,250,000 for furnishing assistance to Greece and Turkey pursuant to the provisions of the act of May 22, 1947, as amended (22 U. S. C. 1401-1410), and for furnishing assistance to Iran pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604). In addition, unexpended balances of appropriations heretofore made for assistance to Greece and Turkey, available for the fiscal year 1951, pursuant to the act of May 22, 1947, as amended, and for assistance to Iran pursuant to the Mutual Defense Assistance Act of 1949, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

SEC. 202. Whenever the President determines that such action is essential for the purpose of this act, he may provide assistance, pursuant to the provisions of the

Mutual Defense Assistance Act of 1949, as amended, to any country of the Near East area (other than those covered by section 201) and may utilize not to exceed 10 percent of the amount made available (excluding balances of prior appropriations continued available) pursuant to section 201 of this act: *Provided*, That any such assistance may be furnished only upon determination by the President that (1) the strategic location of the recipient country makes it of direct importance to the defense of the Near East area, (2) such assistance is of critical importance to the defense of the free nations, and (3) the immediately increased ability of the recipient country to defend itself is important to the preservation of the peace and security of the area and to the security of the United States.

SEC. 203. In order to further the purpose of this act in Africa and the Near East, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$122,500,000 for economic and technical assistance in Africa and the Near East in areas other than those covered by section 103 (a) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1502). Funds appropriated pursuant to this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557).

SEC. 204. Not to exceed \$40,000,000 of the funds authorized under section 203 hereof may be contributed to the United Nations during the fiscal year 1952, for the purposes, and under the provisions, of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556): *Provided*, That, whenever the President shall determine that it would more effectively contribute to the purposes of the said United Nations Palestine Refugee Aid Act of 1950, he may allocate any part of such funds to any agency of the United States Government to be utilized in furtherance of the purposes of said act, and any amount so allocated shall be a part of the United States contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

SEC. 205. In order to assist in the relief of refugees coming into Israel, not to exceed \$40,000,000 of the funds authorized under section 203 hereof may be utilized during the fiscal year 1952, under such terms and conditions as the President may prescribe, for specific refugee relief and resettlement projects in Israel.

TITLE III—ASIA AND PACIFIC

SEC. 301. In order to carry out in the general area of China (including the Republic of the Philippines and the Republic of Korea) the provisions of subsection (a) of section 303 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1604 (a)), are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$535,250,000. In addition, unexpended balances of appropriations heretofore made for carrying out the provisions of title III of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1602-1604), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed \$50,000,000 of funds appropriated pursuant to this section (excluding balances of appropriations continued available) may be accounted for as provided in subsection (a) of said section 303.

SEC. 302. (a) In order to further the purpose of this act through the strengthening of the area covered in section 301 of this act (but not including the Republic of Korea), there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$178,750,000 for economic and technical assistance in those portions of such area which the President deems to be not

under Communist control. Funds appropriated pursuant to authority of this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557). In addition, unexpended balances of funds heretofore made available for carrying out the purposes of the China Area Aid Act of 1950 (22 U. S. C. 1547), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

(b) The third proviso of section 202 of the China Area Aid Act of 1950 is amended by inserting "and of Korea" after "selected citizens of China" the first time it appears therein.

SEC. 303. (a) In order to provide for a United States contribution to the United Nations Korean Reconstruction Agency, established by the resolution of the General Assembly of the United Nations of December 1, 1950, there are hereby authorized to be appropriated to the President not to exceed \$75,750,000. In addition, unobligated balances of the appropriations heretofore made, and available during the fiscal year 1951, for assistance to Korea under authority of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1543, 1551, 1552), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed 50 percent of the total of the appropriations authorized by this section may, when determined by the President to be necessary for the purposes of this act, be transferred to and consolidated with the appropriation authorized by paragraph 302 (a).

(b) The sums made available pursuant to subsection (a) may be contributed from time to time on behalf of the United States in such amounts as the President determines to be appropriate to support those functions of the United Nations Korean Reconstruction Agency which the military situation in Korea permits the Agency to undertake pursuant to arrangements between the Agency and the United Nations unified command. The aggregate amount which may be contributed on behalf of the United States pursuant to the preceding sentence shall be reduced by the value of goods and services made available to Korea by any department or agency of the United States for relief and economic assistance after the assumption of responsibility for relief and rehabilitation operations in Korea by the United Nations Korean Reconstruction Agency.

(c) The provisions of subsections 304 (a) and (b) of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556 (b)) are hereby made applicable with respect to Korean assistance furnished under this section.

(d) Unencumbered balances of sums heretofore or hereafter deposited in the special account established pursuant to paragraph (2) of article V of the agreement of December 10, 1948, between the United States of America and the Republic of Korea (62 Stat., pt. 3, 3788) shall be used in Korea for such purposes as the President determines to be consistent with United Nations programs for assistance to Korea and as may be agreed to between the Government of the United States and the Republic of Korea.

(e) The functions of the Administrator for Economic Cooperation under the provisions of section 3 of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1551), shall hereafter be performed by such departments or agencies of the Government as the President shall direct.

TITLE IV—AMERICAN REPUBLICS

SEC. 401. In order to further the purpose of this act through the furnishing of military assistance to the other American repub-

lics, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$38,150,000 for carrying out the purposes of this section under the provisions of the Mutual Defense Assistance Act of 1949, as amended: *Provided*, That such assistance may be furnished only in accordance with defense plans which are found by the President to require the recipient country to participate in missions important to the defense of the Western Hemisphere. Any such assistance shall be subject to agreements, as provided herein and as required by section 402 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1573), designed to assure that the assistance will be used to promote the defense of the Western Hemisphere; and after agreement by the Government of the United States and the country concerned with respect to such missions, military assistance hereunder shall be furnished only in accordance with such agreement.

SEC. 402. In order to further the purpose of this act among the peoples of the American republics through the furnishing of technical assistance, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$15,250,000 for assistance under the provisions of the Act for International Development (22 U. S. C. 1557) and of the Institute of Inter-American Affairs Act, as amended (22 U. S. C. 281).

TITLE V—GENERAL PROVISIONS

COORDINATION OF ACTIVITIES

SEC. 501. (a) Responsibility for the coordination of activities of, or resolution of conflicts among, the various departments and agencies of the Government exercising functions under this act shall be in the Executive Office of the President. No person may serve in any office, or on any board established for the purpose of advising the President on such matters while at the same time he is an officer or employee of any other department or agency of the Government. Any person or persons appointed to such office or to serve as a member of such board shall be appointed by the President, by and with the advice and consent of the Senate.

(b) For the purpose of carrying out the provisions of this section the President is authorized to utilize the positions created in subsection 406 (e) of the Mutual Defense Assistance Act of 1949, as amended.

SEC. 502. The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the chief of the United States diplomatic mission.

ELIGIBILITY FOR ASSISTANCE

SEC. 503. (a) No military, economic, or technical assistance authorized pursuant to this act (other than assistance provided under section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the President finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to—

(1) join in promoting international understanding and good will, and maintaining world peace;

(2) take such action as may be mutually agreed upon to eliminate causes of international tension;

(3) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

(5) take all reasonable measures which may be needed to develop its defense capacities; and

(6) take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

(b) No economic or technical assistance shall be supplied to any other nation unless the President finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and in maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

RESPONSIBILITIES OF SECRETARY OF DEFENSE

SEC. 504. In the case of aid under this act for military items and related technical assistance and advice, the Secretary of Defense shall have primary responsibility and authority for—

(a) the determination of military end-item requirements;

(b) the procurement of military equipment in a manner which permits its integration with service programs;

(c) establishment of priorities in procurement and deliveries, the allocation of military equipment and the apportionment of funds between services and countries within each area specified in the act;

(d) the supervision of end-item use by the recipient countries;

(e) the supervision of the training of foreign military personnel; and

(f) the movement and delivery of military end items.

TERMINATION OF ASSISTANCE

SEC. 505. (a) After June 30, 1954, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, none of the authority conferred by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604) may be exercised; except that during the 12 months following such date equipment, materials, commodities, and services with respect to which procurement for, shipment to, or delivery in a recipient country had been authorized prior to such date, may be transferred to such country, and funds appropriated under authority of this act may be obligated during such 12-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer and shall remain available during such period for the necessary expenses of liquidating operations under this act.

(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the 12 months following such date, the powers, duties, and authority conferred by the Mutual Defense Assistance Act of 1949, as amended, may be transferred for the purpose of liquidation to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, property and personnel may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

(c) On or before March 30, 1952, the President shall submit to the Congress a reorganization plan under the Reorganization Act of 1949 (5 U. S. C. 1332) abolishing the Economic Cooperation Administration and transferring such of the powers and functions conferred upon the Administrator by the Economic Cooperation Act of 1948, as amended, as are necessary to carry out the purposes of the Mutual Security Act of 1951, to such other agency, or agencies, of the Government, as appropriate, and the powers and functions so transferred shall, notwithstanding the provisions of section 122 of the Economic Cooperation Act of 1948, as

amended, continue until July 1, 1954, unless terminated earlier by concurrent resolution of the two Houses of Congress. The liquidation provisions of section 122 of the Economic Cooperation Act of 1948, as amended, shall become effective on July 1, 1954, or the effective date of such concurrent resolution, whichever is earlier, and be administered by the agency or agencies to which any such power or function is transferred.

TERMINATION OF ASSISTANCE BY PRESIDENT

SEC. 506. The President shall terminate all or part of any assistance furnished pursuant to this act under any of the following circumstances:

(a) If requested by any nation to which assistance is being rendered;

(b) If the President determines that the furnishing of assistance to any nation is no longer consistent with the national interest or security of the United States or the policies and purposes of this act; or

(c) If the President determines that provision of assistance would contravene any decision of the Security Council of the United Nations, or if the President otherwise determines that provision of assistance to any nation would be inconsistent with the obligation of the United States under the Charter of the United Nations to refrain from giving assistance to any nation against which the United Nations is taking preventive or enforcement action or in respect of which the General Assembly finds the continuance of such assistance is undesirable. The function conferred herein shall be in addition to all other functions heretofore conferred with respect to the termination of military, economic, or technical assistance.

EFFECTIVE DATE

SEC. 507. All provisions of this act except section 503 shall take effect upon the date of its enactment. Such section shall take effect 90 days thereafter.

SEC. 508. Whenever the President determines it to be necessary for the purpose of this act, not to exceed 10 percent of the funds made available under any title of this act may be transferred to and consolidated with funds made available under any other title of this act in order to furnish, to a different area, assistance of the kind for which such funds were available before transfer. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Appropriations of the Senate and House of Representatives. In the case of the transfer of funds available for military purposes, he shall also forthwith notify the Committees on Armed Services of the Senate and House of Representatives.

SEC. 509. In order to promote the increased production, in areas covered by this act, of materials in which the United States is deficient, not to exceed \$55,000,000 of the funds authorized to be appropriated pursuant to section 101 (a) (2) of this act may be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

SEC. 510. (a) As used in this section—

(1) the term "invention" means an invention or discovery covered by a patent issued by the United States, and

(2) the term "information" means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purpose of this act—

(1) use within the United States, without authorization by the owner, shall be made of an invention, or

(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

(c) Before such suit against the United States has been instituted, the head of the appropriate department or agency of the Government, which has furnished any assistance in furtherance of the purpose of this act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

(d) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than 6 years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the 6 years, unless suit is brought before the last-mentioned date.

SEC. 511. The President, from time to time while funds appropriated for the purpose of this act continue to be available for obligation, shall transmit to the Congress, in lieu of any reports otherwise required by laws continued in effect by this act, reports covering each 6 months of operations in furtherance of the purpose of this act, except information the disclosure of which he deems incompatible with the security of the United States. The first such report shall cover the 6-month period commencing on the date this act becomes effective. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

SEC. 512. (a) Upon a determination by the President that it will further the purpose of this act, not to exceed \$10,000,000 of the funds made available pursuant to section 203 of this act and not to exceed \$25,000,000 of funds made available pursuant to section 302 of this act may be advanced to countries covered by said sections in return for equivalent amounts of the currency of such countries being made available to meet local currency needs of the aid programs in such countries pursuant to agreements made in advance with the United States: *Provided*, That except when otherwise prescribed by the President as necessary to the effective accomplishment of the aid programs in such countries, all funds so advanced shall be held under procedures set out in such agreements until used to pay for goods and services approved by the United States or until repaid to the United States for reimbursement to the appropriation from which drawn.

(b) In order to assist in carrying out the provisions of the Economic Cooperation Act of 1948, as amended, not to exceed \$50,000,000 of funds made available under the authority of this act for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), may be used to acquire local currency for the purpose of increasing the production of materials in which the United States is deficient.

SEC. 513. Funds realized from the sales of notes pursuant to section 111 (c) (2) of the

Economic Cooperation Act of 1948, as amended, shall be available for making guaranties of investments in accordance with the applicable provisions of sections 111 (b) (3) and 111 (c) (2) of the Economic Cooperation Act, as amended, in any area in which assistance is authorized by this act.

SEC. 514. Funds made available for carrying out the provisions of title I of this act shall be available for the administrative expenses of carrying out the purposes of all of the titles of this act, including expenses incident to United States participation in international security organizations and expenses in the United States in connection with programs authorized under the Act for International Development. Any currency of any nation received by the United States for its own use in connection with assistance furnished by the United States may be used by any agency of the Government without reimbursement from any appropriation for the administrative and operating expenses of carrying out the purpose of this act. Funds made available for carrying out the purpose of this act in the Federal Republic of Germany may, as authorized in subsection 114 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1512 (h)), be transferred by the President to any department or agency for the expenses necessary to meet the responsibilities and obligations of the United States in the Federal Republic of Germany.

SEC. 515. Section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (b) (6)), is hereby amended by—

(a) inserting in the second proviso thereof after "wealth" the following: "for the encouragement of emigration pursuant to subsection (e) of this section";

(b) adding in the last clause of the second proviso "and operating" after "administrative";

(c) striking from the last clause of the second proviso "within such country";

(d) substituting in the fourth proviso the words "upon termination of assistance to such country under this act" in place of the words "on June 30, 1952"; and

(e) adding at the end thereof the following new sentences: "The Administrator shall exercise the power granted to him by this paragraph to make agreements with respect to the use of the funds deposited in the special accounts of the countries receiving assistance under the Mutual Defense Assistance Act of 1949, as amended, in such a manner that the equivalent of not less than \$500,000,000 of such funds shall be used exclusively for military production, construction, equipment, and matériel in such countries. The amount to be devoted from each such special account for such use shall be agreed upon by the Administrator and the country or countries concerned."

SEC. 516. (a) The President shall make appropriate arrangements with each nation receiving equipment or material under the Mutual Defense Assistance Act of 1949, as amended (other than equipment or material furnished under terms requiring the nation to reimburse the United States in full therefor), for the return to the United States (1) for salvage or scrap, or (2) for such other disposition as the President shall deem to be in the interest of mutual security, of any of such equipment or material as is no longer required for the purposes for which originally made available.

(b) Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1580), is hereby amended by adding in the first proviso thereof, after the words "of which it is a part," the words "or in United Nations collective security arrangements and measures," and by changing the figure at the end of such section 408 (e) to "\$500,000,000."

SEC. 517. The proviso in the first sentence of section 403 (d) of the Mutual Defense

Assistance Act of 1919, as amended (22 U. S. C. 1574 (d)), is hereby amended to read as follows: "Provided, That after June 30, 1950, such limitation shall be increased by \$250,000,000 and after June 30, 1951, by an additional \$150,000,000."

SEC. 518. (a) The Act for International Development is amended by adding before the period at the end of section 404 (b) the following: "Provided, That for the fiscal year ending June 30, 1952, such contributions from funds made available under authority of sections 101 (a) (2), 203, 302, and 402 of the Mutual Security Act of 1951 shall not exceed in the aggregate \$13,000,000, and the use of such contributions shall not be limited to the area covered by the section of the act from which the funds are drawn."

(b) Section 414 of such act is amended to read as follows:

"Sec. 414. No citizen or resident of the United States, whether or not now in the employ of the Government, may be employed or assigned to duties by the Government under this act for a period to exceed 3 months until such individual has been investigated by the Civil Service Commission and a report has been made to the Secretary of State: *Provided, however*, That in the event the Civil Service Commission discovers evidence of disloyalty or that the individual may be a security risk the matter will then be referred to the Federal Bureau of Investigation for a full field investigation: *Provided further*, That no such individual may be employed or assigned to duties by the Government under this act until the Civil Service Commission has made a name check of the files of the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State: *Provided further*, That, prior to the receipt of a report of the Civil Service Commission, persons may be given temporary employment without acquiring any civil-service status, exclusively for purposes of job training within the United States not involving access to any classified information: *Provided further*, That any present employee of the Government, pending the report as to such employee by the Civil Service Commission, may be employed or assigned to duties under this act for the period of 3 months from the date of its enactment. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate."

LEGISLATIVE PROGRAM

Mr. McFARLAND. Mr. President, I wish to thank Members of the Senate on both sides of the aisle for their cooperation today in completing action on House bill 4550 thus enabling us to conclude at this hour. It is my hope that the Senate can complete its action on the pending bill, the Mutual Assistance Act, Thursday night. I do not see any reason why we cannot meet that schedule. If there is one subject that has been thoroughly debated in the Senate during this session, it is our mutual assistance program. I believe it is fair to assume that every Senator knows now how he is going to vote on the pending bill. However, we can have a longer session tomorrow in order to give all Senators every opportunity to speak on the bill.

We should finish the mutual assistance bill not later than the end of the week. I am hopeful we can take final action by Thursday evening. In any event, we must finish it this week. If we do finish it, it is my intention to have no business on next Monday and Tuesday. We shall have to meet on Tuesday but we shall

meet only briefly and not transact any business. In other words, on Labor Day and the day following there will be no business of the Senate, and we shall take those 2 days off, if we dispose of the pending bill this week.

Next week, that is on Wednesday next, we shall take up the armed services appropriation bill. I am informed that we can conclude action on that bill in not more than 3 days, perhaps less. If we meet that schedule we shall be well on our way toward the goal of adjournment round about October 1.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. WHERRY. The Senator used the expression "round about." Will he define that term?

Mr. McFARLAND. I will amend my statement by deleting "round about" and insert in lieu thereof on October 1. Perhaps we can get through on the Friday night preceding. I hope so.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. TAFT. Did the Senator from Arizona say that if we did not finish on Friday we would have a session on Saturday of this week?

Mr. McFARLAND. If we did not finish the bill on Friday, we would have to have a session on Saturday. Many Senators are planning to leave the city this week end, some to attend the San Francisco meeting. However, I see no reason why we cannot work longer hours tomorrow and Thursday and finish this bill so that we may not require even a Friday session for this bill. We should be able to finish this bill in 2 days.

Mr. TAFT. I thank the Senator.

EXECUTIVE SESSION

Mr. McFARLAND. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of the committees, the clerk will state the nominations on the Executive Calendar.

SUPREME COURT OF PUERTO RICO

The Chief Clerk read the nomination of Roberto H. Todd, Jr., to be chief justice of the Supreme Court of Puerto Rico.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Luther W. Youngdahl to be United States District Judge for the District of Columbia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The Chief Clerk read the nomination of Carl J. Werner to be United States marshal for the eastern district of Illinois.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Otto Schoen to be United States marshal for the eastern district of Missouri.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES PATENT OFFICE

The Chief Clerk read the nomination of Charles S. Duncombe to be Examiner in Chief on the Board of Appeals of the United States Patent Office.

The VICE PRESIDENT. Without objection, the nomination is confirmed; and, without objection, the President will be immediately notified of all nominations confirmed this day.

That completes the Executive Calendar.

RECESS

Mr. McFARLAND. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 14 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 29, 1951, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 28 (legislative day of August 27), 1951:

FEDERAL DEPOSIT INSURANCE CORPORATION

Maple T. Harl, of Colorado, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years from September 6, 1951. (Reappointment.)

DEFENSE MATERIALS PROCUREMENT ADMINISTRATOR

Jess Larson, of Oklahoma, to be Defense Materials Procurement Administrator.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following-named employee of the Coast and Geodetic Survey for permanent appointment to the grade indicated:

To be commissioned ensign

Danile L. Wheeler, effective October 2, 1951.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 28 (legislative day of August 27), 1951:

SUPREME COURT OF PUERTO RICO

Roberto H. Todd, Jr., of Puerto Rico, to be chief justice of the Supreme Court of Puerto Rico.

UNITED STATES DISTRICT JUDGE

Luther W. Youngdahl, of Minnesota, to be United States district judge for the District of Columbia.

UNITED STATES MARSHALS

Carl J. Werner to be United States marshal for the eastern district of Illinois.

Otto Schoen to be United States marshal for the eastern district of Missouri.

UNITED STATES PATENT OFFICE

Charles S. Duncombe, of New Jersey, to be Examiner in Chief on the Board of Appeals of the United States Patent Office.

Calendar No. 678

82^D CONGRESS
1ST SESSION

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 29 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. AIKEN (for himself and Mr. MOODY) to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz: At the end of the bill add a new title as follows:

1 TITLE VI—GREAT LAKES-SAINT LAWRENCE

2 BASIN DEVELOPMENT

3 SEC. 601. As provided by article XIII of the Boundary
4 Waters Treaty of 1909 between the United States and Great
5 Britain, the agreement made by and between the Govern-
6 ments of the United States and Canada, dated March 19,
7 1941, published in House Document Numbered 153,
8 Seventy-seventh Congress, first session, is hereby approved,

1 with the exception of article VII, article VIII, paragraph
2 (c), and article IX thereof, and the President is hereby
3 authorized and empowered to fulfill the undertakings made
4 on behalf of the United States in said agreement, with the
5 exception of article VII, article VIII, paragraph (c), and
6 article IX, upon the receipt by him of satisfactory evidence
7 of the approval of said agreement with the exceptions pro-
8 vided above, by reciprocal or concurrent legislation of
9 Canada: *Provided*, That the President, before said agreement
10 enters into force, obtains satisfactory assurances, by exchange
11 of notes or otherwise, that the Government of Canada agrees
12 to the principle of making the new deep-water navigation
13 works on the Saint Lawrence River herein authorized self-
14 liquidating by charging reasonable tolls, this principle to be
15 implemented through the conclusion of arrangements satis-
16 factory to both Governments pursuant to section 603 of this
17 title.

18 SEC. 602. It is the sense of the Congress that it would
19 be desirable for the President to negotiate with Canada a
20 treaty with reference to the matters provided for in article
21 VII of the agreement of March 19, 1941, including provi-
22 sions with respect to the perpetual navigation rights on the
23 Great Lakes, on the connecting channels and canals and in
24 the wholly Canadian sections of the Saint Lawrence River;

1 and to submit such treaty for the advice and consent of the
2 Senate of the United States.

3 SEC. 603. (a) During the period of construction the
4 President is authorized and directed to negotiate a further
5 agreement with the Government of Canada, under the pro-
6 visions of the Boundary Waters Treaty of 1909, defining
7 the rates of charges or tolls to be levied on cargoes and pas-
8 senger traffic using the new deep-water navigation facilities
9 on the Saint Lawrence River, authorized in this title: *Pro-*
10 *vided*, That (1) the total charges shall be fair and equitable
11 and shall give due consideration to encouragement of in-
12 creased utilization of the navigation facilities, and to the
13 special character of bulk agricultural, mineral, and other raw
14 materials; (2) that tolls shall vary for ships in ballast and
15 according to the character of cargo with the view that each
16 classification of cargo will so far as practicable derive relative
17 benefits from the use of these facilities; (3) that in no event
18 shall the total charges exceed the equivalent of \$1.25 per
19 short ton of laden cargo, and may be less, depending on char-
20 acter of laden cargo; (4) that tolls shall apply only on traffic
21 utilizing the new deep-water navigation works on the Saint
22 Lawrence River, with such exception of local or way or
23 Government traffic as may be agreed upon by the two
24 countries: *Provided further*, That such agreement shall be-

1 come effective only after approval by the Congress of the
2 United States and the Parliament of Canada.

3 (b) The President may, at his discretion, appoint a
4 Saint Lawrence Advisory Commission, to cooperate with
5 similar representatives of the Government of Canada, for
6 the purpose of studying and, after public hearings, making
7 recommendations to their respective Governments on the
8 administrative, technical, and economic aspects of a toll
9 system on the proposed twenty-seven-foot Saint Lawrence
10 canals, as a basis for the agreement on tolls proposed in this
11 section.

12 SEC. 604. (a) There are hereby authorized to be ap-
13 propriated, out of any money in the Treasury not otherwise
14 appropriated, such sums as may be required to carry out
15 the provisions of this title and to enable the United States
16 to carry out the undertakings hereby authorized.

17 (b) Unless Congress by law authorizes such action, no
18 amendment of the agreement, and no exchange of notes
19 under article I, section 4, thereof, shall impose additional
20 financial or other obligations on the United States.

21 SEC. 605. Any arrangement for the disposition of power
22 from the project works to be constructed on the United
23 States side of the International Rapids section shall be effec-
24 tive only after approval by the Congress of the United
25 States.

82^d CONGRESS
1ST SESSION

H. R. 5113

AMENDMENT

Intended to be proposed by Mr. ARKEN (for himself and Mr. MOODY) to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

AUGUST 29 (legislative day, AUGUST 27), 1951
Ordered to lie on the table and to be printed

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 29 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. DOUGLAS to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:

1 On page 48, line 16, in lieu of "\$122,500,000" insert
2 "\$160,000,000".

3 On page 48, line 24, in lieu of "\$40,000,000" insert
4 "\$50,000,000".

5 On page 49, line 13, in lieu of "\$40,000,000" insert
6 "\$50,000,000".

AMENDMENTS

Intended to be proposed by Mr. DOWDAS to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

AUGUST 29 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 29 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. DOUGLAS to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:

1 On page 44, line 6, in lieu of "\$5,043,350,000" insert
2 "\$5,000,600,000".

3 On page 45, line 17, in lieu of "\$1,130,500,000" insert
4 "\$1,100,000,000".

5 On page 46, line 10, in lieu of "5 per centum" insert
6 "6 per centum".

82^d CONGRESS
1ST SESSION

H. R. 5113

AMENDMENTS

Intended to be proposed by Mr. DOWDAS to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

AUGUST 29 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

Calendar No. 678

82^d CONGRESS
1ST SESSION

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 29 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. GILLETTE to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:

- 1 On page 60 strike out all beginning with line 14 through
- 2 line 4 on page 61.

8-29-51—E

82ND CONGRESS
1ST SESSION

H. R. 5113

AMENDMENT

Intended to be proposed by Mr. GUILLETTE to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

AUGUST 29 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

Calendar No. 678

82^d CONGRESS
1ST SESSION

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 29 (legislative day, AUGUST 27), 1951
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. GREEN (for himself, Mr. McMAHON, Mr. FULBRIGHT, and Mr. SPARKMAN) to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:

1 On page 44, line 6, strike "\$5,043,350,000" and insert
2 "\$5,293,000,000".

3 On page 45, line 17, strike "\$1,130,500,000" and insert
4 "\$1,675,000,000".

5 On page 47, line 6, strike "\$396,250,000" and insert
6 "\$415,000,000".

7 On page 48, line 16, strike "\$122,500,000" and insert
8 "\$125,000,000".

1 On page 48, line 24, strike “\$40,000,000” and insert
2 “\$50,000,000”.

3 On page 49, line 25, strike “\$535,250,000” and insert
4 “\$555,000,000”.

5 On page 50, line 15, strike “\$178,750,000” and insert
6 “\$262,500,000”.

7 On page 51, line 12, strike “\$75,750,000” and insert
8 “\$112,500,000”.

9 On page 53, line 14, strike “\$38,150,000” and insert
10 “\$40,000,000”.

11 On page 54, line 10, strike “\$15,250,000” and insert
12 “\$22,000,000”.

82ND CONGRESS
1ST Session

H. R. 5113

AMENDMENTS

Intended to be proposed by Mr. GREEN (for himself, Mr. McMANON, Mr. FULBRIGHT, and Mr. SPARKMAN) to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

August 29 (legislative day, August 27), 1951

Ordered to lie on the table and to be printed

and the Senator from Indiana [Mr. JENNER] are absent on official business.

The Senator from Washington [Mr. CAIN], the Senator from Massachusetts [Mr. LODGE], and the Senator from Wisconsin [Mr. MCCARTHY] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate to attend the funeral of Representative Frank Fellows.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The VICE PRESIDENT. A quorum is present.

DEATH OF REPRESENTATIVE FRANK FELLOWS, OF MAINE

Mr. DIRKSEN. Mr. President, I ask unanimous consent to proceed for 4 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Illinois may proceed.

Mr. DIRKSEN. Mr. President, I shall take a few moments to observe the passing of a friend and colleague in the other branch of the Congress. I esteem it appropriate since the House is in recess. But I do it also because it concerns a friend. A few days ago, the Honorable Frank Fellows, a Representative from the State of Maine, answered the last roll call.

I remember well his coming to the Seventy-seventh Congress in 1940. He was a highly respected and successful lawyer who forsook his practice to enter public service, and was reelected to each succeeding Congress since that time. Soon after his arrival, we became firm friends, and it was a lasting friendship. I came to know the worth and character of the man, the profound character of his mind, his devotion to the American ideal and tradition, the warmth and abiding quality of his friendship, his devotion to the country, and his unwavering faith in the idea of the dignity of the individual.

His passing was ascribed to a heart attack. It could be. But it may have been that an element of frustration was a contributing factor. From the blue skies over his State, from the rugged land, from the stately pines, and from the undefiled waters which lashed her coast line, Frank Fellows learned of God and nature, of freedom as the only climate in which the fire of the creative spirit could burn brightly, of honorable dealings with his fellow men, of self-reliance, of the worth of a land born out of the crucible of human liberty, and of the need to preserve that freedom if the unfulfilled dream of freedom was yet to be consummated.

Out of deep conviction he appraised the forces and trends that are at work today all over the world, including his own beloved land, and it touched his spirit with a sense of distress. He saw a departure from principles that were as sacred to him as the beauty which he found in the Maine woods. He saw how easily the expediency course was

followed. He saw political timidity supplant moral courage where important issues were involved. He saw vacillation, which was alien to every instinct which had been bred into his being.

All this brought some frustration, and how avidly he sought for a resurgence of the old faith and the old Gospel which would sustain him in a time when there seemed so much of futility.

The death certificate may say that the cord of life was severed by a faltering of the heart. But I know, from long experience, that in that heart there must have been rebellion against the easy forces which are remaking America. What a loss it is to see so valiant a defender of the ancient faith taken away, because America needed him. I salute his memory for the patriot, American, gentleman, and nobleman that he was. He was so unafraid in a time when moral value too often go on the block.

DENIAL OF BURIAL IN A SIOUX CITY CEMETERY OF AN AMERICAN INDIAN KILLED IN KOREA

Mr. CHAVEZ. Mr. President, I ask unanimous consent to speak briefly on a subject which is of great importance at this time, when we are discussing the pending bill, and when Mr. Gromyko has arrived in this country as the Soviet Union representative at the signing of the Japanese Peace Treaty.

The VICE PRESIDENT. Without objection, the Senator from New Mexico may proceed.

Mr. CHAVEZ. I hold in my hand an Associated Press dispatch from Omaha, Nebr., dated yesterday. It states that the body of John R. Rice, sergeant first class, a Winnebago Indian, was not permitted to be buried in the Memorial Park Cemetery at Sioux City, Iowa, because that entity or corporation had some kind of covenant to the effect that only members of the Caucasian race could be buried in that cemetery.

I am confident that the fine people of Iowa are embarrassed by the fact that a native American, who made the supreme sacrifice for his country, cannot be buried in the land of his forefathers.

Mr. President, I ask that the article which appears in this morning's Washington Post, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COVENANT INVOKED AT GRAVE—IOWA CEMETERY HALTS BURIAL OF UNITED STATES INDIAN KILLED IN KOREA

OMAHA, August 28.—An Army officer said that burial of a Winnebago Indian killed in action in Korea was halted today by authorities of the Sioux City, Iowa, Memorial Park Cemetery.

Lt. Edward J. Krischel said cemetery authorities stopped the burial as the body was about to be lowered into the grave because "only members of the Caucasian race" could be buried in the cemetery.

The war victim was Sgt. (1c) John R. Rice, 37, who was killed in action September 6, 1950, while serving with the First Cavalry Division. Rice was also a veteran of World War II.

Lieutenant Krischel is a bugler and was to have played taps at the funeral.

Krischel said Rice's wife, a white woman, had bought the lot in the cemetery and

signed the contract without noticing a clause which barred her husband from burial there.

The body was removed to a funeral home in Winnebago, Nebr., the officer said, and will remain there until arrangements can be made to bury the veteran in a national cemetery.

Mr. HICKENLOOPER subsequently said: Mr. President, earlier in the day the Senator from New Mexico [Mr. CHAVEZ] called attention to an article appearing in the newspapers this morning, to the effect that Sgt. John R. Rice had been refused burial in the Sioux City Memorial Park Cemetery because he was not of the Caucasian race, but was an Indian.

The connotation of that story is that the cemetery in Sioux City is a memorial park cemetery, and that therefore the burial of this soldier, who was not a Caucasian, in that cemetery should not have been refused.

I am sure that was not the intent. I had not heard of this matter until the Senator from New Mexico mentioned it on the floor of the Senate earlier in the day. When he called attention to it, I immediately made extensive inquiries at Sioux City.

My information is that this cemetery is owned by a private organization under a corporate arrangement which includes certain restrictions and covenants which apply to the deeds and the lots in the cemetery. I do not discuss the merits or the demerits of the restriction that only those of the Caucasian race can be buried in the cemetery. I am informed that is a limitation which applies to that particular cemetery.

However, my information is, and my point is, that this morning, when this matter became known, the Monahan Post of the American Legion instantly purchased or made arrangements for the purchase of an excellent, beautiful lot in another of the finest cemeteries in Sioux City, and offered it to the widow, for the burial of this gallant soldier; and I am told that that cemetery lot was offered free of charge; that when the citizens of Sioux City heard of the legal restrictions applying to the other cemetery, which were invoked by the manager of the cemetery, they immediately began all kinds of movements to provide the deceased soldier with a fine, honored place in one of the honored and hallowed cemeteries in that community.

I do not know whether the widow now will permit the soldier to be buried in Sioux City or whether she will have him buried in one of the national cemeteries—where, incidentally, any soldier has a legal right to be buried, and does not have to have the authority of the President to be buried there. So I do not know whether she will arrange to have her husband buried in one of the several places now available; but I wish to say that the people of Sioux City yield to no one in their reverence, respect, and honor for the soldiers not only of their own community and State but of the Nation. Every soldier coming from Sioux City or from any other place in Iowa, regardless of race, color, creed, or anything else, will have an honored and hallowed burial in ground of respect, on the part of the people of the State of Iowa.

I regret the incident and I regret that the legal restrictions which apparently are inherent in the corporate set-up of this particular private cemetery have caused unfortunate connotations to be made and perhaps ideas gained by some that the people of any community in Iowa would cast any disrespect whatsoever as a community upon the soldiers of this Nation.

Mr. CHAVEZ. Mr. President, I am very happy that the Senator from Iowa has made his statement.

When I read the article in the newspaper this morning, I felt deeply in my heart that the people of Iowa did not indorse the technical restrictions included in the contract applying in the case of that particular private cemetery. I felt that the people of Iowa would take the position which the Senator from Iowa has now stated they have taken.

Mr. President, now that we are preaching to the world about free people, I think it is most unfortunate that even a legal technicality would prevent an American soldier from being buried in his native community. Of course, in this case the soldier is of Indian ancestry, and no doubt his ancestors lived in that part of the United States long before Sioux City was established.

In any event, I am very glad that the Senator from Iowa has stated so well that the people of Iowa do not at all favor a discriminatory attitude.

MUTUAL SECURITY ACT OF 1951

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, H. R. 5113.

The Senate resumed the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Mr. CONNALLY. Mr. President, I present to the Senate the Mutual Security Act of 1951, which has been unanimously approved by the combined Committees on Foreign Relations and Armed Services.

The proposed act involves no new questions of basic policy. It is designed to implement the fundamental policy which the Senate has already approved by overwhelming votes on numerous occasions.

The policy to which I refer is that of strengthening the United States through strengthening our allies. It is the policy that recognizes that the United States cannot stand alone against a hostile world. It is the policy that seeks to promote world peace through helping the free nations of the world make themselves so strong that no aggressor will dare attack them. It is the policy that seeks to avoid war by being prepared to win it if war should come.

That is the only way I know of, Mr. President, whereby war can be avoided. The men who govern the Soviet Union and its satellites can be deterred from their evil design of world domination by only one thing, and that is the sure knowledge that they cannot get away with it. If their aggressions succeed in

one place, they are merely fortified in their resolve to undertake aggression somewhere else. The longer this process continues, the harder it is to stop; and if it is not stopped somewhere, it will surely some day reach the shores of the United States.

POLICY ALREADY APPROVED

The overwhelming majority of the people of the United States recognize this fact, Mr. President. The Senate has recognized it many times in years past. Let me recall briefly the major policy decisions on which the present bill is based.

There was, first, the ratification of the Charter of the United Nations, by a vote of 89 to 2.

This was followed by the United Nations Implementation Act, which passed the Senate 65 to 7.

Then there were the Greek-Turkish aid bill, passed by a vote of 67 to 23;

The Inter-American Treaty of Rio de Janeiro, ratified by a vote of 72 to 1;

The European recovery program, authorized by a vote of 67 to 17;

The North Atlantic Treaty, ratified by a vote of 82 to 13;

The mutual defense assistance program, authorized by a vote of 55 to 24; and approved again last year by a vote of 66 to 0; and finally

The resolution approving the sending of four additional divisions of American ground troops to Europe, passed by a vote of 69 to 21.

So, Mr. President, the basic policy decisions have already been made. The bill now before the Senate implements that policy. It contains nothing that the Senate has not already emphatically approved.

BILL CUT \$1,000,000,000

As the bill was presented by the administration, it authorized total appropriations of \$8,500,000,000. The joint committee went over those figures very carefully and effected a net reduction of \$964,250,000. This was achieved by applying a cut across the board of 5 percent in military assistance and 30 percent in economic assistance, and then making a few minor adjustments in certain areas.

The bill before the Senate, Mr. President, authorizes total appropriations of \$7,535,750,000, of which \$6,013,000,000 is for military assistance, and \$1,522,750,000 is for economic assistance. By far the largest part is for Europe—\$5,043,350,000 for military assistance and \$1,130,500,000 for economic assistance.

This military assistance, Mr. President, is designed to provide certain types of equipment for the forces of the North Atlantic Treaty countries by the time those forces are available.

AID FOR EUROPE

The scheduling of the forces and of the equipment have been very carefully coordinated by General Eisenhower and the American officials working with him. Any delay in equipment means simply that General Eisenhower will have troops without arms. It means a postponement in the date when Western Europe can feel reasonably secure against aggression from the east. It means, also, a delay in completing the rearmament of the free world and a consequent prolonging

of our rearmament program. In the long run that would mean that this program would cost us a great deal more, not less.

Mr. President, I believe that if we and European allies now put our shoulders to the wheel and push ahead with this program, we can complete it within a relatively short period—say, 3 years or so—and then can relax our efforts somewhat. If we try to stretch out the program, we are taking a very dangerous gamble, for which I am not willing to assume the responsibility.

Now, Mr. President, the \$1,000,000,000 which the committee approved for economic aid to Europe is largely designed to complement the military aid and to make it possible for the Europeans themselves to produce a larger proportion of their total military needs. The original administration request for this item was \$1,675,000,000, which the committee reduced by more than half a billion dollars.

For the rest of the world outside Europe, the bill authorizes \$1,361,900,000, of which \$969,650,000 is for military assistance and \$392,250,000 is for economic assistance. These figures are explained in detail in the report, which I commend to the attention of Senators. I shall not take the time of the Senate to go over the figures again, but I do wish to make a few general comments.

The largest item, comprising more than one-half the military assistance total, is \$535,250,000 for the countries of Asia and the Pacific, primarily Formosa and Indochina.

Senators do not have to be reminded of the strategic importance of Formosa to the United States. We must keep that island from falling to the Chinese Communists, and that is the purpose of our assistance.

FRENCH EFFORT IN INDOCHINA

In Indochina the French and the associated states are actively engaged in war against Communist forces. The French have lost more than 29,000 men killed in Indochina. If Indochina falls, the remainder of Southeast Asia would be gravely threatened. Communist conquest of this area would add significantly to the resources—oil, rubber, tin, and quinine, among others—available to the Kremlin and would subtract significantly from the amounts of those resources available to us.

We also have another reason for doing what we can to secure Indochina and restore order in that country, and that is to release French manpower and resources now committed in Indochina to the defense of Western Europe. Such a development would enable France to give a tremendous boost to the NATO forces.

More than one-third of the military assistance funds—\$396,250,000 out of \$969,650,000—is for Greece, Turkey, and Iran. Greece and Turkey were the first countries to receive military assistance from us in the development of our policy to strengthen the free world, and the splendid help their fighting forces are giving us in Korea demonstrates how successful that policy can be when it is properly applied with the cooperation of the recipient peoples. The funds authorized by this bill will continue our

assistance to these two countries and will also provide some military assistance to Iran.

Finally, there is a small but important item of \$38,150,000 for military assistance to be furnished Latin America under the terms of the Rio Treaty and under agreements made at the meeting of Western Hemisphere foreign ministers in Washington this spring. Latin America is within the Western Hemisphere. It is associated with us historically, politically, and economically. It is perfectly proper that, in the distribution of funds in aid of other countries, Latin America should receive recognition and due allotment. This will enable the Latin-American countries to assume a greater portion of the responsibility for the defense of this hemisphere. If they do not take this responsibility, Mr. President, we shall have to take it ourselves. If they can assume it with modest help from us, then that is money well spent.

In World War II, for example, we found it necessary to station something more than 100,000 American troops in the Latin-American and Caribbean area. Under the proposed plan, the Latin-American countries—in the event of another war—would be in a position to take over the functions performed by these troops, freeing most of them for duty elsewhere.

The economic assistance for non-European areas of the world has been reduced from \$522,000,000 to \$392,250,000.

ECONOMIC AID REDUCED

The administration proposal contained requests for substantial funds to provide ECA-type aid to countries of the Near East, Africa, Asia, and the Pacific. The reduction which the committee has recommended would largely eliminate that type of project, except where it is directly related to military activities. Certainly we want to avoid sending quantities of expensive machinery to underdeveloped countries when they are not prepared to use it and lack the technicians to operate it.

That is not the kind of aid I was voting for when the Senate approved the point 4 technical-assistance program last year, and I do not think it was what other Senators were voting for. The principles of the European recovery program cannot be applied to the rest of the world. In Europe we were dealing with a technically advanced people with a highly developed economy which had been shattered by the war. It was in our national self-interest to restore that economy. There was a definite objective—a clear end point—which has now substantially been reached, when their economy would be restored and additional outside aid would no longer be necessary.

In the Near East, in Africa, and in Asia we are dealing with a technically retarded people with a primitive economy but with great natural resources. They do not need—indeed, they are not yet ready to use—the machinery, the industrial equipment, and the raw materials which we supplied to Europe. They need technical information. They need to be shown how to make better use of

what they have. That is the objective of the point 4 program, and it ought to remain the objective. It can be accomplished over a number of years, at relatively little expense, and it can do a great deal of good.

We must not forget, however, that these areas of the world, many of them teeming with humanity, are a bottomless pit into which we could pour the resources of the United States without limit in an endless and ever-growing stream. We could not afford such a drain on ourselves, and there is no occasion for us to try to afford it.

The reduced economic assistance which remains in the bill for these areas falls into four categories.

There is, first, assistance which, although it is labeled economic, could properly be called military. A substantial sum, for example, is directly related to the military build-up of Formosa. This island is economically overburdened with Chinese Nationalist troops and refugees from the mainland, and it cannot possibly become self-supporting under present conditions. If we agree that we must keep Formosa out of Communist hands, then we must be prepared to take the steps which are necessary to accomplish that objective, and substantial economic assistance is one of these steps.

KOREAN RECONSTRUCTION

The second type of economic assistance remaining in the bill is contained in an item of \$75,750,000 for the American contribution to the United Nations Korean Reconstruction Agency.

There is not now any immediate prospect that the military situation will permit large-scale reconstruction activities in Korea. The committee approved the authorization for this purpose, therefore, with the thought that an appropriation will probably not be necessary at this session of Congress. We felt it important, however, that the authorization be made as an evidence of good faith and as a measure to aid the solicitation of contributions from other countries.

The third type of economic assistance is embodied in two items, which the committee limited to not more than \$40,000,000 each, for relief of Arab and Jewish refugees in the Middle East.

Finally, there is technical assistance provided for Latin America in the amount of \$15,250,000, and for certain countries of the Near East, Africa, and Asia on a relatively modest scale.

ADMINISTRATION OF THE PROGRAM

Now, Mr. President, I should like to comment briefly on the provisions of the bill concerning administration of the mutual-security program. The committee had before it elaborate proposals for establishing a single administering agency and for making other considerable reorganizations in the Government. We adopted what I submit to the Senate is a simple, common-sense plan. This plan, which is set forth in the bill and explained in greater detail in the report, is based on the constitutional position of the President. Whatever provisions there may be for administering a program of this kind, under the Constitu-

tion the ultimate decisions will have to be made by the President, whoever he may be.

The committee, therefore, put the responsibility for coordinating the program and for resolving disputes among the various agencies in the Executive Office of the President. This is where that responsibility belongs, and where it would ultimately be, regardless of any other action the Congress might take.

We authorize the President to appoint an individual, or a board, to advise him on these matters, if he so desires; but we make this individual, or the members of the board, subject to Senate confirmation; and we specify very clearly that they cannot be connected with any other agency or department of the Government. We do that, Mr. President, because we do not want special pleaders from the Defense Department or the State Department or the ECA involved in settling disputes which may arise between those agencies.

We put responsibility for settling these disputes in the White House, because we want them settled there. We do not want them simply transferred there from the agencies, to continue and flourish while the operation of the program bogs down. We recognize the primary responsibility of the Defense Department in the military phases of the program, and we spell out very clearly the responsibilities of the Secretary of Defense.

We leave the economic functions with ECA for the time being, because it is a going organization with personnel experienced in dealing with these matters. But ECA was established to administer the European recovery program which was authorized in 1948 to end in 1952, and it ought to end in 1952. We therefore direct the President to submit a reorganization plan to Congress not later than March 30 next year abolishing ECA and transferring such of its functions as are necessary to carry out the mutual-security program to other agencies of the Government.

UNITED STATES IS THE LEADER

So, Mr. President, that is the mutual-security program for fiscal 1952. I underline the word "mutual." The free countries of the world must face the threat of aggression together. If our allies are weak, then our own position is weakened. Insofar as we strengthen our allies, we strengthen ourselves.

In closing, Mr. President, I desire to emphasize the exceedingly important position of leadership which the United States holds in the free world today. That position of leadership is a fact, whether we like it or not, and it carries with it an enormous responsibility. If we do not exercise leadership, no other nation will. The entire free world looks to the United States. If we fail to meet the responsibility which is ours, we will have failed not only our allies, but also ourselves. If we exercise the leadership which the facts of history have thrust upon us, our allies will take heart and will be inspired to greater efforts of their own.

By emphatic votes in the past, the Senate has declared that the United

States should exercise this leadership. A leader cannot afford to falter, or to hesitate, or to be indecisive. We have made our decisions, and we must act vigorously and effectively to carry them out.

Mr. President, I regret as much as does anyone the necessity to appropriate these tremendous sums of money for the purpose of helping to arm our allies and giving them supplies and resources in order to resist aggression wherever it may strike, and ultimately, of course, to defend and protect the United States.

OUR HANDS ARE CLEAN

When I contemplate the conditions in the world, the powers of certain great nations which have caused the dangers which confront mankind, I cannot resist the temptation to look into the future, to look into the years to come, to the judgment seat of the nations of the world, to the time when there will be an accounting for destiny and for fate, and I thank God that the hands of the United States will be clean, that the United States will have truly offered resistance to evil influences which would crush liberty and will have condemned the cruel, the evil, and the shameful exercise of power by the nation which now seeks to overcome the United States by propaganda and by charges of imperialism.

Mr. President, the imperialism of the United States, if there be any, is the imperialism of freedom from tyranny, the imperialism of kindness and generosity, the imperialism of resistance in behalf of liberty and freedom to the cruel forces of aggression.

So, Mr. President, in the face of these dangers, in the face of these threats, it happens to be necessary for the United States to take all the precautions and measures possible to resist the evil, cruel, and outrageous actions of that great power in the east.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. SALTONSTALL. I should like to ask the Senator two questions. He made quite a point of the fact that in the bill the President is made the deciding factor in any difference of opinion between any departments.

Mr. CONNALLY. That is correct.

Mr. SALTONSTALL. He also brought out the fact that the President could appoint one or two or three men to assist him, but that they could not be members of any department. This is a change made from the present set-up, in which the coordinating body is now in the Department of State. Am I correct?

Mr. CONNALLY. Insofar as there is such a body, yes.

Mr. SALTONSTALL. The purpose of taking it out of the Department of State is, is it not, to put it under the President, where it belongs, and to avoid any apprehension that any one department would have a superior say as to what to do?

Mr. CONNALLY. That is correct.

Mr. SALTONSTALL. The Senator said it was the hope that after 3 years the people of Europe would be able to proceed on their own, without further financial assistance. It is true, is it not, that a figure was given to us as to what

would probably be necessary for this country to appropriate or to authorize within the next 3 years? Would the Senator be willing to give us that figure?

Mr. CONNALLY. As I recall, in discussing the amount authorized by the pending bill, the Secretary of State rather informally stated that there would have to be approximately \$8,000,000,000 appropriated for the next few years.

Mr. SALTONSTALL. There will probably be a request for upward of \$25,000,000,000, will there not?

Mr. CONNALLY. That is correct.

Mr. SALTONSTALL. So that when we go forward with \$7,500,000,000 this year, we must keep our eyes open to the fact that there will be further requests made and that we cannot stop at this time.

Mr. CONNALLY. That is correct.

Mr. President, I have explained the purposes of the bill, and stated that we have made our decisions, and must act vigorously and effectively to carry them out. I commend the bill to the Senate and to the country, and I hope the Senate will act promptly on it.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one further question?

Mr. CONNALLY. I yield.

Mr. SALTONSTALL. First, I apologize to the Senator for interrupting his speech in the first instance.

Mr. CONNALLY. That is perfectly all right.

Mr. SALTONSTALL. I was one of two Senators who offered an amendment to establish a separate agency to administer these programs, similar to the one contained in the House bill. I finally voted for the amendment which is in the Senate bill. I understand it is the feeling of the Senator from Texas, who is in charge of the bill, that the method of administration provided by the Senate bill would make those administering it free of any bias and as independent in settling disputes as it is possible to make provision for. Is that not true?

Mr. CONNALLY. Yes. I thank the Senator from Massachusetts. Administration of the proposed act is so designed that no one of the departments, the Department of State, the Department of Defense, or ECA, would acquire a dominating influence or activity in that regard. Each one is to attend to the duties committed to it, and if any controversy arises over jurisdiction, the White House settles the dispute.

Mr. SALTONSTALL. Is it not true that the ECA, as such, expires in another year, and that methods are provided in the Senate bill by which the functions exercised by the ECA can be taken over and accomplished until 1954?

Mr. CONNALLY. The Senator is correct. The Senate will recall that when we passed the ECA bill it was provided that the ECA should terminate in 1952. I think we ought to keep that pledge. The pending bill provides that the President shall submit a reorganization plan to provide for taking care of such necessary activities as may be committed to that organization, but that the ECA

itself will be dismantled and dissolved in 1952.

Mr. SALTONSTALL. The bill is entitled "The Mutual Security Act" as opposed to ECA?

Mr. CONNALLY. That is correct.

Mr. SALTONSTALL. Under the ECA, Counterpart Funds, so called, could not be used for military purposes. The bill changes that provision, does it not?

Mr. CONNALLY. It does. As I recall the figure, it provides that at least \$500,000,000 in counterpart funds shall be used for military purposes.

Mr. SALTONSTALL. In other words, in the bill we cut down the ECA activities somewhat. Whether that is wise or not may be subject of difference of opinion. I voted for that provision. We cut them down, and provided that counterpart funds, which have been built up in the past by this country, may be used for military production to help the European nations defend themselves.

Mr. CONNALLY. The Senator is entirely correct. That is the provision of the bill.

Mr. SALTONSTALL. That is a very important part of the bill, is it not?

Mr. CONNALLY. It is a very important part; yes.

Mr. SALTONSTALL. I thank the Senator.

Mr. MOODY. Mr. President, has the distinguished Senator from Texas concluded his remarks?

Mr. CONNALLY. Yes, I have concluded my remarks.

Mr. MOODY. Mr. President—

The PRESIDING OFFICER (Mr. GILLETTE in the chair). The Senator from Michigan is recognized.

Mr. MOODY. Mr. President, a little over a week ago I flew to Europe and spent 7 days there. I went there because I felt that the future of our country and of the free world may, to a large extent, be determined by what action Congress takes on the mutual-security bill which is now before the Senate. I undertook this trip, Mr. President, with a good deal of humility. I am not a member of either of the two great committees of the Senate, so heavily manned with able and experienced Senators, who have been considering this measure. But, as a citizen of this country and as an individual Member of the United States Senate, it seemed to me that I could not meet the responsibilities of voting on this measure on which so much depends without securing for myself the facts in the situation.

And, as a man who sat in the Press Gallery for years, perhaps I may be pardoned the impulse to do a little reporting to Senators here on the floor.

Of course, in 7 days I was not able to make as extensive a study as I should have liked of conditions there relating to the pending bill. But during that period, I talked with General Eisenhower, General Gruenther, General Handy, General Norstad, and other members of the SHAPE staff at Marly; Mr. McCloy and other well-informed officials in Germany; His Holiness, Pope Pius XII; Marshal Tito; Ambassadors Katz, Bruce, and

Spofford. In addition, I was intensively briefed by our military, economic, and diplomatic teams operating in Britain, France, and Italy in connection with our effort to build combined Allied strength against the threat of communism.

I undertook this trip, Mr. President, not only because I felt that the security and future of the United States and the American people in substantial measure depend upon how wisely Congress acts on the measure now before the Senate, but also because I have had some previous experience in Europe, where I reported and wrote articles for the North American Newspaper Alliance, on military, economic, and social problems for at least 1 month of each year since the war. Therefore, I felt that I might utilize this background to make some small, constructive contribution to the issue before us.

Mr. President, there are a great many things our European allies can and should do to carry their share of our joint undertaking of mutual security that they are not yet doing. In one sense, the United States is paying today for the archaic industrial and social system that still prevails in some of our allied nations.

What Europe needs above all else is to be freed from the shackles of its own musty traditions. It led in the first industrial revolution. But it has never yet discovered the second—the industrial revolution that gave the world what some of us in my home town like to call Detroit-style economics—the economics of peak efficiency, high production, high wages, low costs, and reasonable profits, achieved from great volume and fair prices.

To many cartel-minded leaders of Europe, accustomed to preferred privilege atop an economy still feudal in many of its aspects, our industrial thinking is as strange and repugnant as any, other than our own, would be to Americans who understand what has made our system the most productive in history.

There still exist in Europe tax systems that soak the poor and spare the rich. There still exist wage levels so low, in comparison to what may be bought at high prices, as to give even a totalitarian, traitorous philosophy like communism a chance to hold at least the temporary allegiance of many millions of so-called continental Reds outside Russia.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. MOODY. I yield.

Mr. McFARLAND. Mr. President, I feel that the Senator is making a very important speech, and I should like to suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Arizona for the purpose of suggesting the absence of a quorum?

Mr. MOODY. I yield.

Mr. McFARLAND. I make that suggestion, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the order

for the quorum call be vacated, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOODY. What Europe needs above all else is to be freed from the shackles of its own musty traditions. It led in the first industrial revolution. But it has never yet discovered the second—the industrial revolution that gave the world what some of us in my home town like to call Detroit-style economics—the economics of peak efficiency, high production, high wages, low costs and reasonable profits, achieved from great volume and fair prices.

To many cartel-minded leaders of Europe, accustomed to preferred privilege atop an economy still feudal in many of its aspects, our industrial thinking is as strange and repugnant as any, other than our own, would be to Americans who understand what has made our system the most productive in history.

There still exist in Europe tax systems that soak the poor and spare the rich. There still exist wage levels so low, in comparison to what may be bought at high prices, as to give even a totalitarian, traitorous philosophy like Communist a chance to hold at least the temporary allegiance of millions of so-called Continental Reds outside of Russia.

The Kremlin's greatest chance springs from the fact that too many powerful people in Europe have never awakened to the fact that in modern times a system can be firm and be sure of enduring only if it clearly gives everyone willing to work a fair share of its production and an opportunity to improve the position of himself and his family.

There are many who demand the immediate institution of reforms to provide a greater measure of economic and social justice for Europeans as a condition of our aid. They may well and accurately say that too little is being done too slowly to modernize Europe.

They may declare that American leadership, in its overwhelming and necessary emphasis upon production since the war, has failed to use simultaneously its maximum influence toward the molding of a modern European structure which would not only be better for the Europeans, but would create for America stronger allies.

But whatever might have been done in the past 5 years, the political facts in these August days of 1951 are that our allies in Europe, despite their shortcomings—and we have them, too—are pitching in on freedom's team in a way that the continent has never performed before. Perhaps if we in America had had to go through with the bombing, the devastation, and the occupation, and the hunger, and bloody suffering which our allies endured, we should be doing no better than they, if as well.

The encouraging fact is that because of the President's happy choice of General Eisenhower as the symbol of America in Europe, because of the infectious magnetism of the man, and because of the fact that the President has also sent abroad a group of other representatives who are as able and competent and in-

dustrious and understanding as any group of Americans that have tackled any project anywhere, in public or private life—because of these things and because of the generosity of the American people and the leadership of the United States, expressed through this Congress and the President, there is a new spirit, a new psychology, and a new dynamism, and, I might add, an unaccustomed drive, beginning to develop in Europe.

This new drive is not all that we should like to have it, but it is there. It is rising. We must not stifle it by handling this legislation in such a manner as to give our allies the impression that at the very moment when we are calling on them for greater effort, at the very moment we are impressing on them that the lives and families and freedoms of men and women everywhere are at stake in winning this battle against the slave state, we in the American Congress, fortunate as we are to represent the people of the greatest and richest nation in world history, are failing to cut out cloth to meet our danger.

The real issue here is whether the free world is now ready to impress upon itself the sacrifice and discipline that are needed to insure its own survival.

Mr. President, I believe there are few of us, if any, in this body today who cling to the notion—under the modern threats and pressures of a dangerous world; with a powerful, relentless, untiring, unscrupulous global revolution intent on undermining our way of life and our very liberty—that it would be wise policy for the United States to go it alone. This Congress has repeatedly by its votes made it clear that any such isolationist philosophy must be rejected. The unmistakable facts of today's world irrefutably reject it.

Our strength—our emergence as the leader of the free world—is based upon American spirit, American character, American resources, American determination, our free incentive system, our skills, our managerial superiority.

It is also based on the strength of an industrial complex such as the world has never before known.

But it is not always realized that the productive power of that industrial system is not self-contained within our country. To produce as we do, we must import. There are no less than 167 critical raw materials vital to the operation of our industry which must come to us from overseas. One of these is uranium, vital to the weapon which has been chiefly responsible for keeping the armed peace we now live in. Another is manganese, the basic sinew of our military strength and our civilian economy. We cannot make a pound of steel without manganese. There are 165 more such materials.

Those who have preached that we can live in a fortress America, obviously do not know the ABC's of what it takes for the survival of the free world today. For if we endeavored to live alone, if we dared to denude ourselves of allies, and thereby roll out a red carpet to the Atlantic for the Red armies, then we would find ourselves shortly in a situation where we would be outnumbered, outproduced, and outweaponed by a

Communist empire led by the heartless, irreligious, oligarchy of the Kremlin. This would force us to try to build in America a military state sufficient to stand up against the overwhelming threat of a Red Europe and a Red Asia.

I should like those who are wont to complain that we are required to contribute too much to our common safety, while we proceed along a path of protected prosperity here, to consider where we would be in America if we had to build military strength sufficient to protect ourselves, or even to prevent a war, without allies and without imported materials.

If we could find the metals imperative to our defense, there would be little or none left for the civilian economy. Think what that would do to our industrial economy.

The taxes for the support of such a military establishment, could we build it, would make any tax bill that has ever been conceived by this Congress seem like the good old days. The devotion of such a large proportion of our productive power to the creation of a vast military force would bring upon this Nation a degree of regimentation which could have no other result but to stifle and smother the very free economic and social system that is our way of life—and has enabled us to become the greatest, most productive and most powerful people of all history.

Mr. President, we have heard a lot of foolish talk, on this Senate floor and elsewhere, when the President of the United States and others have proposed the comparatively mild measures that are now necessary to our safety and our survival—to check inflation and appropriate our adequate share for mutual security—about how someone is trying to socialize America; to bring us under some sort of totalitarian "ism" which would, of course, be repugnant to the instincts and beliefs of every good American.

If those people wish to really bring down our system around their ears, let them continue to oppose and reduce the mutual assistance program. Let them succeed in destroying the program of international leadership which has been launched by the President of the United States and has been loyally supported by many Senators on both sides of this aisle, and in my judgment, by the great majority of the American people.

Force us into a fortress America, Mr. President, and you will find us with an economy destroyed from within or a nation shaken by atomic raids from without, or perhaps both. And we will be a fortress America, if we do not give our support and approval to an international program which is strong enough, and big enough, and quick enough, to make it utterly clear to any aggressor that an attack on America would be suicide.

The question today is whether this threat to our freedom and our security; whether this plot against our system and our freedoms, hatched in Moscow, is a real threat and a real menace or not. If not, then obviously none of the things the Congress has done in the last 5 years

on the international front makes any sense; but if so, if we are in danger, then in my judgment the first responsibility of Congress to the American people today is to stand up and vote for a program that is adequate to do this job of preserving our freedom and preventing war. It must be a program that will not only bring us victory should an atomic conflict tragically be launched, but one which can put us into military posture quickly enough and overwhelmingly enough so that no man or set of men in their right minds would ever dare to challenge the supremacy of the United States as the champion of peace.

Mr. President, measured against that yardstick, in my judgment the program that is now before this Senate is too small and too slow. I base that statement not on guesswork, but on analysis of information given to me by responsible officials of the American Government on my recent trip to Europe.

Of course, the details in terms of forces and numbers of airplanes, even in military budgets on which this program is based, cannot be revealed.

But there is one great fundamental fact about this situation which today has not been disclosed and which in my judgment must be disclosed now if the Congress and the American people are to be able to act with adequate knowledge and sense of urgency on this measure.

Mr. President, after the North Atlantic Treaty Organization was established, the top military officials of the great nations that were party to that treaty outlined an analysis of what the problem would be if our Allies in Western Europe were attacked and what forces would be needed—ground, sea, and air—to be certain that such an attack would be repulsed; to be so sure that the chances would be very heavily against its ever being launched. That is the yardstick against which we should be making our calculations.

With the alternative no less than preserving America as we know it—or an America under atomic bombs—I think that to provide any less is a reckless gamble.

Mr. President, we now have before us a program to build a certain level of military strength. It is no secret—one can read it in every newspaper column and hear it on every radio—that our timetable for the creation of this strength is a slow timetable. It is a timetable which would take some 3 years before the program now before the Congress would become an actuality in terms of divisions and equipment, of fighting planes and mobilized armies of the strength calculated to be essential.

What is not known, however, Mr. President, is that a gap exists between the program that is now before us—even if it is voted in full by the Congress and supported completely by the United States and by all our allies—and this basic military requirement which was laid down by the North Atlantic Treaty's top experts as to what is needed to do the job.

Let me repeat: The details of the estimated requirements for the defense of

Europe are top secret. Obviously, they cannot be disclosed by any Senator. But how can Congress possibly be expected to act intelligently if the very existence of a gap between the program as it stands, and the program which the top experts say is required to do this job, is not even disclosed to them?

I submit that if our danger is real, if all of our objectives here are not academic, if we are not playing patty-cake with peril, then Congress should have before it and should act on a program which matches our performance with our danger. Until that is done, in my judgment, we shall not have come up to our responsibility.

Of course, Mr. President, Congress cannot be expected to act unless a program is laid before it which is adequate to do the job. But in my judgment Congress can be expected not to reduce the strength proposed in the face of a danger such as we face today. Unless the top military brains of the North Atlantic Treaty nations were all wrong in their estimates, this program is not adequate. The gap exists.

General Eisenhower and his staff at Marly are currently engaged in reviewing that basic NATO program. There has been no sign that General Eisenhower differs in any substantial degree with the judgment of the top military board whose directives he has been named by the President of the United States to carry out. If he does differ with it, Congress and the President should be told, and without delay.

If he agrees, then I feel that Congress should be given the facts and act accordingly. We should provide our share of the funds to do this job. And we should forcefully provide whatever leadership is necessary among the peoples of the free world to insure that all the Allies alike provide their full share. I repeat that all the Allies alike must provide their full share.

I hope that the Allies commander in Europe, of whom we are all proud, will declare promptly whether he feels that the estimates of the top NATO Military Board were well grounded, and make any recommendations for revision that appear to him wise. And then I hope that the full story will be laid on the line, so far as security will permit, so that the Congress and the American people may judge and act accordingly.

It is not necessary to reveal to the enemy anything that has not appeared before in the public prints for months and months. It is no secret that we are not ready to wage a full scale land and air war in Europe. No secrets will be disclosed in spelling out for Congress sufficient information to make it very clear what should be done to safeguard the interests and the future of America and the free Western World.

If we decide that we are buying safety enough and strength enough, in view of the speed contemplated for this program, as it is provided in the pending measure, in other words, if we are to ignore the gap between what the experts have said is essential and what has been proposed, then that lesser level

of military strength can, in my judgment, be bought for fewer dollars.

It must be kept in mind that this military assistance program and the economic aid to our Allies, which now is to be applied almost entirely to obtaining greater military strength, in the ratio of about \$2 worth of military strength for every dollar appropriated by the Congress, constitute a capital expenditure.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. MOODY. I yield to the distinguished Senator from Louisiana.

Mr. LONG. The Senator from Michigan is making a very able address on this subject, and I am curious to know whether he has in mind any idea as to whether there should be some ratio between the expenses we shall bear and the expenses or the sacrifices the nations of Europe will attempt to bear for themselves. I ask that question because it seems to me that unless we have some understanding about how much we are to contribute and how much our allies are to contribute, in the long run, they might expect to much of us.

Mr. MOODY. I am very glad the able Senator from Louisiana has brought up that point. For his information, let me say that our military experts and particularly our economic experts in Europe have made calculations as to what each of these nations is able to do without bringing about in its standard of living a reduction so sharp that it would endanger what we are trying to do because it would invite Communist trouble there.

In my judgment, the proper course for the United States to follow is to provide that we shall be furnished with as accurate estimates as are possible in regard to what those countries can do, and then I believe that either by a clear statement of legislative intent or perhaps by a provision of the law we should require those countries, as a condition of our aid, to perform to the maximum of their ability. I do not believe we should restrict the administrators too closely, but at least we should do this by means of a clear statement of the legislative intent.

I may say to the Senator from Louisiana that in some respects the picture which I found in Europe was most encouraging. General Eisenhower's presence there and the general organization made by Ambassador Katz and others have generated a new spirit there. There is much greater drive than there was before. We are doing much more than we ever have done before, and so are the Europeans.

However, considering what the danger is—and I do not know any other way by which we can measure what we should do—this program simply does not come up to what the experts of the top NATO Security Board say is essential. I think the Congress and the country should know that.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. MOODY. Yes, indeed.

Mr. LONG. I should like to state the problem which worries me. Our Nation is in the process of building an Air Force which will be superior to what the Soviet

Union has built, and certainly our Air Force should be superior. We shall also bear the expense of maintaining a greater production of atomic weapons than the Soviet Union can muster. We shall also bear the expense of maintaining a Navy far and away superior to what the Soviet Union could attempt to maintain. In addition, we shall maintain the second greatest and most powerful Army in the world—second only to that of the Soviet Union.

In this bill we are proposing to spend, for the assistance of the Western European nations, an amount of money equal to—in fact, in excess of—what they spent for themselves last year; and all they have to worry about is maintaining an army, not maintaining an air force or a navy, for we shall maintain a better air force and a better navy than the Russians will.

My question is whether we are going to get ourselves into such a position that the nations of Western Europe will look to us to pay half of the expense of enabling them to defend themselves with an army sufficient to oppose the Russian Army, even though we also maintain the Navy and the Air Force during that time.

Mr. MOODY. That is a good question. Certainly we must build up our own military strength. If the Senator from Louisiana will check the figures in regard to air power, I think he will find that, unfortunately, we are not in the position he has stated.

Mr. LONG. No; I mean that we should be building up to that position, even though at the present time we have not reached it.

Mr. MOODY. I thoroughly agree. I am not a military expert, and neither is the Senator from Louisiana; but I have confidence in General Eisenhower, General Marshall, General Bradley, General Gruenther, and the others who have been responsible for the administration and the exposition of what is essential in this situation.

I am not one of those who think the civilian authority should be surrendered to the military, or anything of that sort.

Nevertheless, I am sure the Senator from Louisiana will agree with me that when it comes to deciding what the military problem would be if Western Europe were attacked, we must depend on our best military brains to tell us what the problem would be and what would be needed to meet it.

I am sure the Senator from Louisiana is not arguing that we would wish to retreat into a fortress America and let ourselves be surrounded by a Red Europe and a Red Asia.

Therefore, despite the fact that we are building a great air force, which I hope will be a deterrent to the Russians to start any war at all, the fact remains that there is a certain amount of military strength, whatever it may be, which the experts say is needed for the defense of this area. That not only is necessary for the safety of the Europeans, but in the long run is also necessary for the safety of America.

Every top official we have in Europe is talking about "the gap." What is "the gap"? "The gap" is the difference be-

tween what they say is essential for the defense of the area which is necessary to us and what we are providing. I do not know whether they are right; I merely say that we have to take their word for it, because we have no other authority that is as good. We must not lose sight of the fact that miscalculation on the side of weakness could mean atomic war and vast destruction not only in Europe but in America.

A little later in my remarks I shall make some observations, with which I believe the Senator may agree, about the way we can make better use of our money. I am not one of those who think that all we have to do is pour dollars across the ocean and we shall get results. That is not true at all, and I am sure the Senator from Louisiana agrees with me on that point. If we do limit the program to the amount provided in this bill, I think we can reduce the expenditures authorized by the bill.

I simply say that the strength provided in this bill does not come up to the strength which the experts say is needed.

Mr. LONG. Mr. President, will the Senator yield for another question?

Mr. MOODY. Yes, indeed.

Mr. LONG. The problem which worries me is, basically, that our military experts seem to be working on the theory that they have about 2 years in which to get ready for a third world war, in the event one should break out, and that they have time to build a plant and then equip it, and then in about a year or two begin to get production from the plant, instead of proceeding now with the utmost haste.

Since the outbreak in Korea, if we are in as much danger as I have always thought we were in, we should have been working these plants on an around-the-clock production schedule.

Mr. MOODY. I agree.

Mr. LONG. Yet every day the Russians are producing more jet aircraft than the United States is; and that is true today, 1 year after the outbreak in Korea; and to this very day we have not stepped up our aircraft production to an around-the-clock schedule, in terms of production sufficient to meet the emergency.

If I may add a word or two to that point, we are being asked for billions of dollars with which to build military installations and permanent housing at training camps, upon the theory that if we were attacked we would need the training camps for the training of additional men. That is the business-as-usual way of training men. But if we were immediately attacked what we would need more than anything else would be planes, tanks, and guns, because, if we were attacked, we could expect much of our industrial capacity to be destroyed by atomic weapons, and we would then be in the position of having to fight the war with the weapons we had on hand, until we could rehabilitate our industries and get going again.

Mr. MOODY. That is correct.

Mr. LONG. Our military authorities seem to overlook the fact that a great portion of the \$70,000,000,000 for which

they are asking, in my opinion is being asked for things which should come second or third in order, rather than first.

Mr. MOODY. I do not know whether he was in the Chamber when I said that this program was not only too small, but also too slow. This entire program, as the Senator knows, is based upon reaching a certain level of strength at some time in the future. I think it may be that our experts have reason to believe that an attack will not come until that time. The Senator from Louisiana is saying they are moving too slowly. I am saying that they are not proposing to get the amount of strength which the experts say will be needed to resist an attack until sometime in the future, and they will not even have it then, unless we step up the program.

We cannot use figures here, but let us say that a certain amount of strength is needed to do this job. In theory, the proposed programs of this country and of the other countries are all laid out to do that end. But this Congress is not appropriating, nor has it been asked to appropriate, the amount needed to do the American share of the job; and the parliaments of Europe are not appropriating the money with which to do their share of the job.

It may be that the estimate of what is needed is too high; I do not know. General Eisenhower's staff is reviewing it. But there has been no sign from General Eisenhower, or from anyone else, questioning that estimate. Instead, a very great deal of concern is prevalent among American officials of Europe about the gap to which I have referred, and they are talking about something which exists, even though we do everything that has been asked of us, and which will exist, even though our allies do more than they are doing now.

Mr. LONG. I thank the Senator.

Mr. NIXON. Mr. President, will the Senator from Michigan yield?

Mr. MOODY. I yield to the Senator from California.

Mr. NIXON. Do I correctly understand that the Senator's contention is that the bill as recommended by the Senate committee is not adequate from the standpoint of the estimate of the experts, or that even the request of the administration in the first instance was not adequate, or both?

Mr. MOODY. Both.

Mr. NIXON. I thank the Senator.

Mr. MOODY. The program provides for building certain forces with certain equipment. Within the limit of the urgency of our willingness to convert industrial strength, we can do it as well swiftly as slowly. It will cost less to do the job in 2 years than in 4.

Now, Mr. President, if we decide that we are buying safety enough, strength enough, with the speed of the program that is now contemplated within this bill—if we are to ignore the gap that I have described—then that lesser level of military strength can be bought, in my judgment, for fewer dollars.

It must be kept in mind that this military assistance program, and the economic aid to our allies which is now to be applied almost entirely to obtaining

greater military strength in a ratio of \$2 of military strength for every dollar appropriated by Congress, is a capital expense.

The program provides for building certain forces with certain equipment. Within the limit of the urgency of our willingness to convert industrial strength, we can do it as well swiftly as slowly. It will cost less to do the job in 2 years than in 4.

To increase our strength, we and our allies are in reality making a capital investment.

The bottleneck in swift creation of those forces is equipment. Speaking generally, the first bottleneck in the speed of acquiring equipment is money. So that if we should decide to move rapidly, as General Eisenhower desires, to the swift creation of greater equipment, it would require more money now, but not require more in total. It would not mean that the initial level of spending would be continued over a great number of years. It would mean that instead of dragging out the creation of this capital equipment, these weapons, over a long period, that we would be telescoping our timetable, and creating the force-in-being we need to defend ourselves that much sooner.

No free European—and what is not so generally realized, no American anywhere—is going to be safe until that strength is created. Every day we delay, in my judgment, is a gamble with atomic catastrophe. If we are to ignore the gap and accept the level of strength and the timetable which the facts show in themselves to be a great gamble we can make reductions in our spending by better use of counterpart funds and by insisting that our allies contribute more, but we must not make a reduction which will cut down the delivery of equipment to Eisenhower's army.

If we are to be content with the military program as presented to us it can be done for less money.

It can be done by managing our appropriations and our program so that the full measure of productive power that exists in free Europe for the manufacture of arms be brought into play immediately.

We cannot afford to make any money reduction in this bill which cuts our military strength, but to reach the level of military strength that it contemplates, we can make a dollar cut by insisting upon a greater contribution from some of our allies.

Europe can do more. Since the war, the free peoples of Europe have made a heroic recovery. The United States has never begun to go through the experience of the many peoples abroad who have the same instincts for freedom that we do. I think it is certain that without American aid in the Marshall plan, recovery in Europe would have proceeded so slowly that the devastation and hunger following the war almost certainly would have thrown such countries as France and Italy into the slave world. And had that happened, there would be little hope today of our sustaining our own free system in the pattern as we have known it.

But Mr. President, and I say this with all sympathy and, I think with some understanding of the sufferings and problems of our allies—this is no time when we can tolerate either here or abroad complacency or lack of a maximum effort on the part of any of the members of the great team that is fighting communism.

Both the spirit and the effort of our allies have immeasurably picked up since my last visit to Europe 11 months ago. The very presence of General Eisenhower has given a psychological lift to the European people that could not have been provided by any other person now alive. And I think the President of the United States deserves the thanks of the American people and of the world for his good judgment in insisting that America's greatest soldier take over the leadership of the Continent.

The spirit and the effort in Europe are better. The train is on the track and it is rolling forward; but it is not rolling fast enough. It needs a booster engine for the steepest grades ahead.

I would like to talk for a few minutes Mr. President, about how I believe we can stimulate European production and do this job for less money per amount of equipment provided.

From the production standpoint I believe our policy should be to stimulate European production of military equipment to the greatest possible extent. We are already moving in that direction, substantially. In my judgment this movement can be greatly accelerated. And if such action is taken, then the cost of the materials contemplated to be delivered from the money appropriated in this bill can be reduced.

I should like to give some examples of what I mean: The Senate is familiar with the counterpart system. We ship food, or raw materials, or machines to Europe and pay the American producers out of our Treasury, which is the Marshall plan. The receivers of these materials pay for them in an equivalent amount of local currency—francs or lire, or whatever—and the money is placed in the so-called counterpart fund, to be used only upon constructive projects agreed upon by the United States Government and the other governments involved.

In the past, these counterpart francs, or lire, or pounds, have converted our Marshall plan dollars into what the brilliant former Administrator of that plan, Mr. Paul G. Hoffman, used to call double-duty dollars. Those dollars have, first, paid for the imports free Europe needed in order to survive. Second, in counterpart, the continental currencies have paid for the development of great power facilities on the Continent, transportation facilities, housing, reequipment of factories, and many other uses that have accelerated the recovery of our European partners.

The Marshall plan has now done its job. I might call to the attention of those in the Senate who opposed it, or who favored its drastic reduction, that it has done its job in a year less time than was originally contemplated, and for considerably less money. And now, while

counterpart currency might indeed be used for the further social and economic development of our allied countries, their recovery has reached a point where this is no longer necessary, particularly since there is now an urgent need to apply all the funds available to the building of our mutual strength.

As things stand now, when we are shipping to Italy, or France, and perhaps will shortly ship to Germany, guns, electronic equipment, spare parts, and ammunition which might be made in those countries, we should require them to devote every available "dollar counterpart" to the production of military equipment or other products actually related to defense.

Every lira that we would permit to be devoted to the construction of a road in Italy—or perhaps the construction of a railroad station such as the splendid structure built by counterpart funds, which no tourist to Rome can miss—is equivalent to an appropriation made by the American Congress, since we are at the same time shipping from the United States—paid for by American dollars—military equipment which could be financed in Italian plants with the same counterpart money.

We have heard a great deal about economy on this floor, Mr. President. In these days when our very safety is at stake, and when we must devote so much to preserving that safety without destroying our economy from within by excessive expenditure, we must indeed practice every wise economy. I do not think that a Senate which has eliminated so many items from our own budget that are so highly desirable for the development of our country should appropriate indirectly at this time for any improvements in a foreign country that do not build the strength of that country.

By assigning all or nearly all unobligated counterpart funds to the production of weapons in European plants, we can make corresponding reductions in the appropriations now to be voted for the same military items.

I wish to emphasize that I am speaking now about the best and most economical way to achieve the degree of military strength which is contemplated in the program before us. And if the President and General Eisenhower should come in with a program adequate to fill "the gap" I have previously referred to, then I would favor a sufficient appropriation to increase production to that extent here and in Europe. I would propose that the Senate Foreign Relations Committee order an inquiry to that end. There has been proposed by some of our best informed officials abroad, but not yet adopted, a system for pooling military equipment produced on the Continent. If machine guns were produced in Italy, or ammunition in France, or minesweepers in Belgium, or small parts in Germany, they could be assigned to a general pool operating for Eisenhower's European Army and financed out of the regular military budgets of the countries whose growing forces would use the weapons, through a financial exchange scheme like the European Payments Union, or perhaps through the EPU itself.

Great drive, much greater drive than exists in certain comparatively casual areas of the Continent, would have to be placed by American leadership behind a coordinated production effort of this sort if it were to provide the needed equipment to meet even the present schedule of deliveries. But I am convinced that this can be done, and I am convinced it should be done.

Savings can also be obtained, I feel, by direct purchases by our military for the mutual security account in the plants of Europe.

Now let me point out, if economic aid were to be severely curtailed in this bill, as has been proposed in some quarters, then no counterpart funds would be created. We cannot both cut out economic aid and count on counterpart to spur production in Europe. I am informed that in the roughly \$1,250,000,000 of economic aid proposed to be set up in this bill for the coming 1952 fiscal year, almost all of it is being devoted to military production or closely related necessary purposes.

But there are counterpart currencies that are still unobligated from the 1951 fund which could be used for military production, and other counterpart funds which, while obligated, are assigned to projects which cannot meet today's yardstick of necessity.

I believe that to the extent that such counterpart funds can be diverted to military production from the 1951 fiscal year budget we can reduce the number of dollars appropriated by Congress for 1952 military end items, providing we are satisfied with the size of program contemplated in this legislation.

Now, it has been pointed out that to use counterpart funds already obligated would require the agreement of some of the governments involved to change their program and cut down some of their highly desirable domestic improvements. This might be a little difficult politically, but no more difficult than some of the decisions that this Congress has been required to make in order to do America's part in the leadership in this program. I believe it can be done.

Applying the counterpart yardstick, I believe a saving of \$350,800,000 can be made in this way. But I emphasize that this saving will not be available if economic aid is cut. Because if economic aid is cut, then the reduction of military counterpart in this 1952 fiscal year would be equivalent to the reduction in economic aid. That would mean that the counterpart of the prior year would not be available for this purpose. Estimates have been furnished to me, however, that reductions can be made of \$75,000,000 in the economic aid to Belgium and some of the other NATO countries, that military assistance to Asia can be compressed by \$50,000,000 and that since the date of Korean reconstruction is still so uncertain, \$100,000,000 can be taken off the programs' estimate for that purpose.

Also, I should like to point out that while the appropriation for Germany is not a part of the pending bill but comes under the military appropriations measure, Germany has a great capacity for production of small parts and ammunition particularly; for electronic and

other fine, technical devices which could properly and safely be assigned to them at this time. I believe, therefore, that a saving of roughly \$100,000,000 can be made from the accompanying military appropriation bill by using what amounts to German counterpart in the manner I have described here for NATO countries.

This estimate, like the others, is compiled not by guesswork but by the best advice of some of the best informed American officials close to the picture.

If Germany is shortly to be taken into the NATO group, which would transfer the United States contribution to Germany into this foreign-aid legislation, then it is estimated that \$100,000,000 of German counterpart can also be applied to the task of building military equipment.

This would mean a total reduction of \$651,800,000 below the estimate presented to the Congress in this program. I believe this policy of singling out specific areas where cuts can be made, rather than in picking a nice round figure of a half billion or one billion or two billion dollars and chopping it off with a wild swing, is the way Congress should approach its goal of getting the maximum amount of production for the minimum amount of expenditure. I am hopeful that the Senate may give consideration to these recommendations.

The Congress has before it a great fundamental decision, Mr. President. I believe we should ask the facts of President Truman and of General Eisenhower. I believe we should ascertain what it would take to close the gap between what is now programed and what needs to be done.

As I see it, Congress then could take one of three courses of action:

First. To appropriate what is needed to do this job right, and write into the law firm provisions which will require that our allies do their full part of the complete job.

Second. To approve the request that has been sent to Congress for \$8,500,000,000, but by requiring greater allied contribution make it possible for this sum of money to provide a greater degree of armed strength than is now contemplated in the program. That is possible because, as it stands, this program omits the suggestions I made for transfer of 1951 counterpart funds to finance maximum military production for Europe.

Third. To decide that the proposed level of military strength contemplated in this bill is not now to be increased. That would make it possible to reduce the dollar total by an amount which I calculate to be \$651,800,000.

I should like to emphasize that in my humble judgment we should not make any reduction which would curtail the amount of military strength contemplated in the program placed before us. To do so would be gambling too recklessly with our own future and that of our children.

Mr. President, in closing I should like to remind the Senate that as we sit here in this beautiful Chamber talk about atomic bombs, about devastation and destruction and death may seem unrealistic and academic.

But it could happen here. Our enemy is building his atomic stockpile with a relentless determination which means that one day, if we do not carry our defense program through to the hilt, we may indeed rue our lack of foresight. For obviously we are the No. 1 target.

The success of the Eisenhower mission in Europe may mean the survival of the United States. Wise, mutual, collective security carries the hope of free people everywhere, including the American people. In this bill are contained the seeds of success or destruction.

I hope we will do this job right.

Mr. President, I ask unanimous consent to have printed in the Record as a part of my remarks an article by one of Washington's ablest newspapermen, Felix Belair, Jr., entitled "Heavy Foreign-Aid Cuts Weighed at Washington," which appeared in the New York Times of Sunday, August 26, 1951.

There being no objection, the article was ordered to be printed in the Record, as follows:

HEAVY FOREIGN-AID CUTS WEIGHED AT WASHINGTON—ECONOMIC ASSISTANCE CLOSELY RELATED TO THE WHOLE DEFENSE PROGRAM

(By Felix Belair, Jr.)

WASHINGTON, August 25.—When the dust has settled on the debate of the \$8,500,000,000 foreign-aid program, the question demanding an answer will remain whether the \$1,000,000,000 cut from the administration estimate was a real saving to taxpayers or penny-wise-and-pound-foolish economy.

There seems little doubt now that a cut of that magnitude will be written into the authorization of military and economic aid in the year ahead. The appropriation measure to follow must observe the ceilings on expenditures now being set. The armies of Western Europe remain on the drawing boards for lack of equipment.

But aside from the pace of Western Europe's rearmament, the larger question remaining is whether the spirit of its people has sufficiently recovered from World War II. Or will that reviving spirit, for lack of the additional investment now, falter and fall under the impact of Europe's own huge new expenditures for rearmament?

Ever since Senator ROBERT A. TAFT, the Republican leader, demanded a \$1,000,000,000 cut in the administration's estimate of economic aid alone, those who have been the loudest in their support of General of the Army Dwight D. Eisenhower have been most insistent on cutting the authorization for economic aid, from which the quickest results could be expected.

GOVERNMENT'S PROGRAM

To attain the objectives sought by General Eisenhower in the shortest possible time, the administration proposed a program for fiscal 1952 consisting of \$6,300,000,000 for military aid and \$2,200,000,000 for economic and technical assistance.

Of this amount, \$7,000,000,000 would have been available for Western Europe alone, including \$5,300,000,000 for planes, tanks, and guns and other so-called "made in United States of America" military end-items and \$1,700,000,000 for what was loosely termed economic assistance.

In the bill passed last week by the House, the total authorization was trimmed by \$1,000,000,000, leaving \$6,000,000,000 for military aid and \$1,500,000,000 for economic and technical assistance. In the House bill, Western Europe would receive \$5,000,000,000 in weapons and \$985,000,000 in commodities and industrial machinery for converting them into arms.

The Senate's Foreign Relations and Armed Services Committees, sitting as a joint legislative group, first made their total authorization cut agree with that of the House and then restored minor amounts to provide a total for all purposes of \$7,500,000,000. This cut of \$964,250,000 under the administration's estimate left \$6,000,000,000 for military and \$1,500,000,000 for so-called economic assistance.

For Western Europe alone, the Senate committees provided an authorization of \$6,200,000,000, of which \$5,000,000,000 was for military and \$1,100,000,000 for economic aid.

Before producing this welter of figures, the House went beyond the recommendations of its Foreign Affairs Committee to cut an additional \$350,000,000 from the economic assistance provided. The Senate committees reversed themselves twice in a single session after overriding a motion of the foreign policy chairman, Senator TOM CONNALLY, of Texas, that economic aid be cut \$1,000,000,000 from the amount requested by the administration.

SUPPORT FOR OPPOSITION

It was small comfort for the administration draftsmen who worked a year before agreeing on the estimates that the foreign-relations chairman, who traditionally supported their estimates, joined forces with Senator TAFT in demanding the heaviest cut.

This phenomenon can be explained only by the fact that rarely have important legislative programs been so inadequately presented to congressional committees or so little understood by legislators. This is particularly true of so-called economic-aid provisions, which have labored under a misnomer from the very beginning.

The importance of the economic-aid provisions can be illustrated by a few specific projects that, unfortunately for the administration, were not revealed until late this week when the damage to its estimates had been done.

Under one such project, it was contemplated to provide France \$312,102 worth of copper, zinc, nickel, and other metals and machine tools. The end product of that investment would be a number of 12-ton tank destroyers costing \$8,000,000. French labor and materials would supply the difference.

With a similar investment of \$462,487 in the same materials bought with economic-aid dollars here, France would produce armored reconnaissance vehicles costing \$5,271,000.

Denmark in another project would turn out \$453,000 worth of 9-millimeter submachine guns in return for a United States economic-aid contribution of \$81,000 in machine tools and metals. The same country would produce .30-caliber ammunition worth \$1,125,000 in return for \$285,000 worth of special carbon steel, copper alloy, and powder.

A MATTER OF SECURITY

These and many other samples of actual projects on which North Atlantic Treaty countries were prepared to go ahead might have been cited in support of the economic-aid estimates. Unfortunately for administration draftsmen, they were more impressed with the necessities of military security with which the legislation has been attended, than congressional need of justification.

Not so easily explained is the long-run effect of this type of economic assistance in making Western Europe better able to provide its own armament after a few years of the pending aid program. Still more difficult is the task of explaining the effect of such outside dollar aid on the national incomes of recipient countries, and their ability to maintain existing meager living standards.

In the circumstances the wonder has been that the administration's figures were not cut more. The Members of the Senate and House are not permitted to know, for example, how much of the money authorized is going to specific recipient countries.

APPROVAL IS AWAITED

It may well be that such information should not be made public and ultimately supplied to Russia. But it is very difficult to persuade the average Member of Congress that Russia won't find out about it anyway.

The Senate has yet to give its approval to the authorizations voted by its Foreign Relations and Armed Services Committees, and after that differences between the Senate and House versions will have to be settled in conference committee. There may be additional surprises in store for the draftsmen of the administration program.

But nothing will surprise them more than seeing the House cut more than \$1,000,000,000 from their estimates after receiving a report from the originating committee that "the present rulers of the U. S. S. R. are obviously dedicated to the destruction of the United States."

THE PEACE TREATY WITH JAPAN TO BE SIGNED AT SAN FRANCISCO

Mr. McCARRAN. Mr. President, I have previously asked to be excused from attendance on the sessions of the Senate for a few days beginning the latter part of this week. The occasion is a trip to the West. I have made perhaps a hundred such crossings of the continent during my 18 years in this body, and the trip is always a sentimental journey. Mr. President, it is a deeply moving experience to see, figuratively and literally, a cross section of the continental United States while serving a State of the West in the National Capital in the East. The journey I shall begin this week end, Mr. President, is another transcontinental one, but the occasion is new to me in all my years of service.

This time I am going beyond Nevada, to California—to San Francisco. I am going at the invitation of the Department of State, as an observer at the world conference which may conclude a treaty of peace with Japan. It is a conference to which no less than 53 nations have been invited. It will be an impressive assembly and it will be an impressive occasion. But I go with a sense of foreboding because I know it will be a strange conference. It will center around a peace treaty, but it will not be a peace conference. It will be just one more dirty round in a fight with Russia in which each round has been dirtier than the one before.

In the Japanese Treaty draft, I know that Ambassador Dulles has attempted something unique in history. I know that he has tried to write a treaty without revenge, without recrimination, with only nominal reparations, without undue stress on war guilt—and, even more remarkable, a treaty that makes restoration of full sovereignty to a country which only 5 years ago stood responsible for the deaths of 80,000 Americans.

Nevertheless, I have forebodings. There are aspects of the treaty which are not an American asset.

In San Francisco will be assembled, in one hall, the representatives of many nations. The number invited totals 53,

enough of that as yet to create any problem taxwise.

The only explanation for the cut-off date that sounds plausible is that either the Treasury or Congress, or both, are afraid that elimination of the time limit may open the door for using the growth-relief provision as a subterfuge.

Maybe the Treasury is arguing that if all new companies were to be automatically included in the growth category, old companies would set up new subsidiary companies for the chief purpose of escaping part of their tax load.

We don't know whether or not this reasoning has ever been advanced officially. But if it had anything to do with the establishment of the January 1, 1946, cut-off date, we believe that it is not a valid argument.

In our opinion, it would be quite easy to block any such subterfuge attempts by adding a provision to a liberalized EPT growth-relief clause that would bar subsidiary companies wholly or partly owned by older companies from such relief. The Treasury tax experts should find it a simple matter to plug such a loophole.

That's why we believe the changes in the EPT law proposed by the Young American Business Conference should be adopted not next year but right now.

That goes particularly for the provision that new companies formed any time after 1946 should be allowed a 20-percent growth allowance for the first 5 years of their existence. That means that they should be given a tax exemption on 20 percent of their earnings if spent on capital expansion or improvements.

MUTUAL SECURITY ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

THE HUNGARIAN REIGN OF TERROR

Mr. LEHMAN. Mr. President, we in the Senate have begun to debate the question of the amount in dollars and cents we shall spend to strengthen the free world against the forces of terror and tyranny which threaten all of us. We propose to help strengthen the internal fiber and the external might of nations which wish to preserve their sovereignty against internal corrosion and external aggression.

This is our national purpose, whatever may be the cross-currents of judgment on specific aspects of our policy and the doubts concerning the exact amount which we can or should spend to achieve this end.

In the midst of debate on detail and specific direction, it is easy to lose sight of the grand design, the final object of our efforts.

Today I would speak, not of the specific plan we have before us for foreign aid, not of the question of which Federal agency should handle this program, nor of the question of military versus economic aid, but of some of the conditions in Europe which arouse us to the need for a foreign-aid program.

We have heard a great deal about the evils of the Communist system of government. We know of the expansionist and aggressive nature of the Soviet regime. In fairly recent years we have

heard distressing reports of slave-labor camps in Siberia. We are well aware of the denials of freedom in Russia. We know of the pitiless punishment meted out in that country to persons and groups of persons who question the infallibility of the Soviet dogma, as laid down from day to day, and as modified from day to day, by the small group of tyrants who comprise the Politburo in the Kremlin.

But only recently have we come to know in detail how the Soviet system of rule over satellite nations requires and begets tyranny and terror in the satellite lands, equaling, if not exceeding, the brutal conditions existing within the Communist motherland.

Of course we have read of the countless purges in Czechoslovakia, Poland, Rumania, and Bulgaria. The first heads to roll are those of the non-Communist leaders, those who thought they could compromise with the Soviet octopus and could accommodate themselves to it. As soon as Soviet domination and control have been consolidated in these lands, with the help of these non-Communists, the non-Communists are quickly dispensed with. Sometimes there are so-called trials; more often there are sudden disappearances, and then the firing squad or the forced-labor camp. Those who die quickly in all probability are the lucky ones. The forced-labor camps are said to be modeled, with even greater brutality and inhumanity, if that is possible, after the Nazi concentration camps at Dachau and Auschwitz.

We have been hearing of these happenings for some time. Mostly they have involved the hierarchy of religious, political, and cultural leaders.

But lately the reports have dealt with a phase even more ominous, more brutal, and more heart rending because they deal with far larger numbers of persons. Now the Soviet puppets have begun to reach down among the people, among those who have been neither leaders nor even followers, among those who by accident of birth or by occupation or training, have been found unfit for the mold of the proletarian state.

The petty nobility, the middle class of merchants, lawyers, doctors, accountants, and shopkeepers, have now come under the ban as politically unreliable, as enemies of the state, as cosmopolitans, and as enemies of the working class.

The clearest and most reliable reports of this pattern of action have come from Hungary. From this country of the Magyars, with its long traditions of independence, from this country of St. Stephen and Ladislav and Hunyadi, have come the most graphic reports of subservience to the Soviet crusade against the dignity and worth of individuals.

Deportations are now the order of the day—deportations from Budapest and from other metropolitan centers in Hungary—deportations to the interior of Hungary, to remote and barren wastelands within Hungary, to the mines and forest lands, and from those dispersal points, toward Siberia.

Thousands have already been thus deported and banished. Thousands of

little people. What was their crime? Their crime was in being alive. They include the sons and daughters of the so-called solid families. Skilled craftsmen, professional people, and men and women who have worked with wit and brain, instead of hand and brawn, have also been among the objects of this attack—all intellectuals and members of what we call the middle class—people of small property and of standing in the community, as well as many who are simply relatives of the others.

Many responsible organizations of American citizens have been making urgent and desperate appeals to the State Department, to the President, and to many Members of Congress, for action—for whatever action—to halt this tragic exodus, these death marches, these forced migrations of men, women, and children from their homes to slave-labor camps. I, myself, have heard from many of these organizations, such as the Hungarian National Council, the American Hungarian Federation, the American Jewish Committee, and the United Hungarian Jews of America. These groups—and many individual citizens of Hungarian origin and descent, and Hungarian citizens who have found asylum in this country—have been bringing their evidence to our officials and to all those who will hear and listen. They have described to me in graphic detail the events of recent months in Hungary—the events and the people who have been involved. All faiths, all religions, and all walks of life are represented in the thousands of persons who have been seized in the dead of night, awakened at dawn, and told that they were included in that day's batch of deportees.

The fright and anguish which this procedure has been spreading throughout Budapest can be imagined, but it can scarcely be fully appreciated. No one knows at whose door the next fatal knock will be. No family knows, when it goes to bed at night, whether the next morning may not signal the last in their own home.

No one knows where the deportees are being sent. No one knows—but everyone fears—what the final destination will be.

There are no trials, no indictments for these people. There are no formal proceedings—just a knock on the door and a summary notice. Then the families are bundled into trucks, wagons, and trains for the one-way trip to nowhere. Youth is no excuse. Sickness is no excuse. Age is no excuse. Pregnancy is no excuse. Aged men, women, and little children, the bed-ridden, and the pregnant mothers—all are seized in this network of terror.

This is the picture of Hungary today, in the grip of the terror, according to the best and most reliable reports which have seeped past the iron curtain into the light of day.

I have at hand excerpts from some letters which have been received by friends and relatives in this country and other free lands from some of the victims of this Hungarian terror. I will not

read them, but I commend a reading of them to all who doubt, all who question, all who ask, "Am I my brother's keeper?" I ask unanimous consent to have these excerpts from letters from Hungary printed in the RECORD of these proceedings at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LEHMAN. I cannot vouch for the accuracy of each and every letter, nor can I attest to the identity of the writers of these letters. They are nameless. But let those who read these letters challenge their authenticity. They are too real, to filled with actual terror, to have been improvised.

I also ask unanimous consent to insert in the RECORD at the end of my remarks a letter addressed to the editor of the New York Times by Dr. Bela Fabian, a former Hungarian official and now a member of the executive committee of the Hungarian National Council in this country.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. LEHMAN. I also ask unanimous consent to have printed in the RECORD following this letter an editorial from the New York Times, commenting on Dr. Fabian's letter. Both were printed in the Times of July 10, 1951.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. LEHMAN. During the days of Hitler's rule of Central Europe, a Hungarian regime, headed by a man named Szalazi, sent 600,000 persons of the Jewish faith into concentration camps and to death. Then, too, there were mass deportations. And in 1944 President Roosevelt spoke out against this terror and promised that the perpetrators of it would be held to account before the bar of world justice. That pronouncement, along with similar representations by the Pope, by the King of Sweden, and by others halted this Hungarian holocaust, and is credited with saving the people of Budapest from the terror which had been visited upon other parts of Hungary.

Very recently, President Truman and Secretary Acheson both spoke out against the current version of this totalitarian reign of terror. The statement by President Truman and the statement by Secretary Acheson were both designed to accomplish in 1951 what President Roosevelt's statement is credited with having accomplished in 1944.

I am deeply moved—

Said President Truman—

by the tragic plight of the Hungarian people, who bear a heavy burden of oppression, and I share the abhorrence which has been expressed with regard to these measures which the Hungarian Government has instituted in wanton disregard of every principle of right and decency.

And Secretary Acheson added:

The United States intends to take all possible steps to expose this situation to public view and judgment, and to render the Hungarian Government accountable before the world.

Mr. President, I ask unanimous consent to have the statement by President Truman and the statement by Secretary Acheson printed in the RECORD at this point in my remarks.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT

Many Americans have expressed concern about the mass deportations from Hungary which are being carried out by the Communist government of that country. Their condemnation of these brutal acts against the people of Hungary is in the best American tradition of concern for liberty and justice. I am deeply moved by the tragic plight of the Hungarian people, who bear a heavy burden of oppression, and I share the abhorrence which has been expressed with regard to these measures which the Hungarian Government has instituted in wanton disregard of every principle of right and decency.

The Government of the United States is giving the closest attention to the deportations in Hungary with a view to taking such steps as may appropriately expose this situation to public view and judgment and render the Hungarian Government accountable before the world for its infamous conduct. The forced removal of thousands of persons from their homes by the Hungarian Government under the conditions which have been reported must be regarded as a flagrant violation of the human rights provisions of the treaty of peace. The United States Government has already formally charged the Government of Hungary with willfully and systematically contravening these provisions, which obligate that government to secure to all persons under its jurisdiction the enjoyment of human rights and freedoms, and has exposed these violations before the United Nations. In accordance with the terms of a resolution passed by the General Assembly on November 3, 1950, this Government will submit to the Secretary-General of the United Nations, and through him to all member governments of the United Nations, detailed evidence which the Department of State has in its possession regarding many such violations. In view of the significant bearing which the present deportations have on the general question of the Hungarian Government's suppression of human rights and freedoms, the United States Government will also submit to the Secretary-General all evidence which may be available from reliable sources regarding the conditions under which such expulsions are being conducted.

At his press conference today Secretary Acheson made the following statement:

"MASS DEPORTATIONS IN HUNGARY"

"In recent weeks the Hungarian Communist regime, in emulation of the Nazis, has resorted to the inhuman practice of mass deportations as a further instrument of oppression. Thousands of innocent and helpless Hungarians have been expelled from their homes in urban areas throughout Hungary, their only crime being that the regime considers them undesirable, unreliable, or out of sympathy with the Communist program. Under circumstances of the grossest brutality they have been removed on sudden notice to the provinces, where they have been billeted under harsh conditions, some of them in detention camps. These evictions have affected persons of every age and from every walk of life and have resulted in innumerable individual tragedies which are perhaps beyond the full comprehension of those of us who live in freedom and security under a just and humane rule of law. The fate of the victims of this wholesale persecution is cause for the deep-

est apprehension on the part of all persons of good will, for there are already indications that many of these people face slow but inevitable death by exhaustion, disease, forced labor, or further deportation to an unknown destination. It is known that these deportees are closely restricted at their new locations and that many of them are living under extremely crowded and unhealthy conditions. Members of families have been separated in many instances. Women, children, and the aged are being forced to perform hard and menial labor. In most instances they have been allowed to retain only a few personal belongings. Some have committed or attempted suicide prior to their deportation and others, who have undergone the ordeal, have also sought this escape.

"The uncivilized conduct of the Hungarian Government has aroused profound indignation throughout the world. I wish to reaffirm solemnly the statement of the President on July 27, 1951, that the United States Government regards the deportations being carried out by the Hungarian Government as a further flagrant violation of the provisions of the treaty of peace which obligate that regime to secure to all persons under its jurisdiction the enjoyment of human rights and of the fundamental freedoms. It is my understanding that the Government of the United Kingdom and the Government of France feel equally strongly about this matter.

"If the Hungarian Government has any regard for the dictates of justice and humanity, it must end immediately the deportation of Hungarian citizens and permit these persons to return to their homes without further molestation or to depart freely from Hungary and accept such safe haven as may be offered them by the governments of other lands.

"It is imperative that the free governments of the world should continue to scrutinize most closely the further attitude and behavior of the Hungarian Government in this matter. As the President announced in his statement of July 27, the Government of the United States intends to take all possible steps to expose this situation to public view and judgment and to render the Hungarian Government accountable before the world. This Government will accordingly in due course present all available evidence on this subject to the Secretary General of the United Nations in conformity with the resolution adopted by the United Nations General Assembly on November 3, 1950, which invited all member nations to submit such evidence concerning violations of human rights by the Hungarian Government, as well as by the Governments of Bulgaria and Rumania. The United States Government is also taking careful note of the identity of individual Hungarian officials, including the highest authorities, who have participated in any way in carrying out these mass deportations, in order that their responsibility may be made fully known and their acts publicly stigmatized."

Mr. LEHMAN. Mr. President, it will be noted that both the President and the Secretary of State served notice that our Government is determined to press this matter before the United Nations. Secretary Acheson further declared that the views he expressed and which President Truman expressed were shared by Great Britain and France. In accordance with a resolution adopted by the General Assembly on November 3, 1950, these crimes against humanity must and will be investigated. Judgment must be passed. Justice must be done. The world must know now—if humanity, itself, is to be saved—that barbarism, wherever it

occurs, is not to go unnoticed or unpunished. The gross violation of all essential human rights and freedoms cannot be sanctioned. Sovereignty gives no privilege or immunity for savagery, whether it be internal or international.

No, Mr. President, all of us can now see clearly enough bloody paths which the Kremlin feels it must follow to achieve the monolithic state. This so-called people's democracy seeks to achieve, not the unity of the living organism, but the unity of the silent dead.

We must keep this in mind. We must never lose sight of it. This is the enemy against whom we struggle. Not only a political regime, but a system of control—a system of tyranny, repression, and barbarism.

We in this country have not yet a perfect democracy. We deny essential rights to some of our citizens. There are inequalities in our land, and inequities. Our history, even our recent history, is not spotless. Today our civil liberties are attacked by the blind and intolerant fury of a few who think they can repress ideas by fiat, by denunciation, and by star-chamber proceedings.

But, thank God, these few do not speak with the voice of authority. They are only a small and noisy segment of our citizens. They do not speak for either the Government or the great majority of our people.

And this attack, I trust and believe, is only a passing phase in our country. Our fundamental national faith is in freedom and in the dignity and worth of each individual. All the more reason why we should and must express our horror and indignation at the events in Hungary. All the more reason why we should and must take all practicable measures, both in our own national capacity, and in association with our friends and allies—and through the United Nations—to bring this terror in Hungary to an end.

I do not agree that love of peace must dull our consciences to the barbaric practices indulged in by the Soviet Union and its satellites against the unfortunate peoples within their borders. The record must be made. I do not think that any nation or group of nations can defy the aroused indignation of all mankind.

No, Mr. President, we cannot remain silent in the face of wholesale atrocities and denials of basic rights. We must raise our voices against tyranny and brutality, against repression and destruction of the human mind and spirit wherever they occur, whether in our own land, in countries allied with us, or in the lands of our enemies.

And those who are responsible for these brutalities and repressions must be told that one day they will be called to account, by their own people or by the effective force of the free world.

EXHIBIT 1

EXCERPTS FROM LETTERS

Those few people who still are authorized by the Government today to leave Hungary on business or other official purposes were informed before their departure that 25,000 families—mainly families of former police officers, high public officials, and army officers—have been registered in Budapest for the purpose of deportation.

The reason given was that these families are not needed in Budapest, since they are not participating in general production, and therefore they have to move to different parts of the country. However, this process is openly called as deportation within competent quarters. Those who went abroad on official missions were much worried by these news and could hardly await the moment to get back to Budapest, fearing that their parents or relatives would also be included in this list. These news, coming from confidential quarters are spread on purpose among the people who want to leave the country.

In leaving the capital they noticed a great number of wagons on the Budapest Railway terminals, which were destined, as rumored in the whole capital, to transport these 25,000 families away from Budapest.

The complete liquidation of the aristocracy and the middle class is being carried out, with reference to the 1939 decree promulgated by Keresztes-Fischer, Minister of Interior. The families are being deported for the time being to the country within 24 hours and their apartments sealed. The above decree ordered the banishment of unreliable elements in case of war. History repeats itself with incredible rapidity. The deportations are conducted at night, according to the old recipe. Deportees are taken presumably to the Jasz region and the Szolnok-Debrecen-Tisza region (names of three villages are mentioned: Tiszastűly, Kőtelek, and Besenyőszög). Many die on the way, as for instance —, aged 82. Naturally, everybody knows that this is only the first stage.

The terrible end is rapidly approaching. On May 28 1,200 families received orders for immediate deportation from Budapest, within 24 hours, with 500 kilograms of luggage, to a village located at 35 kilometers from Szolnok. No information is available as to the catering facilities, medical care, or a post office, but we all know that this is but the first station on the way to a Soviet Auschwitz. This process has been going on incessantly and the number of friends already gone is legion. Belongings must be left behind; nobody has money or food, since unexpected house searches have been going on all winter, and several people were sentenced to 2 to 3 years for as little as 2 kilograms of sugar, or 5 kilograms of flour. Relief parcels from the States are allowed. But all these matters seem trifling in the face of the bare fact of deportation, from which there is no escape. No poison is available; General J. B. and wife managed to commit suicide, but I have not even the energy to throw myself into the Danube. Even the simplest drugs and essentials, such as thread, potatoes, and soap are not available. If only we could stay in the capital instead of being sent to a mousetrap in the country. Even those who have not so far received orders to move are prepared for the worst. Beds cannot be taken, only mattresses—if not stolen on the way. Everybody tries to sell their belongings at no matter what vile price, rather than have them looted. * * * A deadly silence reigns in the capital. People have long ceased to go to places of amusements, the streets are empty, since for months past they were caught in the streets and carried off. If nothing happens to us, I shall write again soon. Please pray for us. * * * We do not know where they are taking us—whether to concentration camps or to some other miserable quarters; neither do we know what work will be assigned to us—in mines, or elsewhere.

The decree which we were handed over granted us 24 hours to do our packing. As head of the family I was permitted to take

500 kilograms of our belongings with me, the other members of the family could take only a luggage not over 250 kilograms with them. We were carried away on trains, escorted by policemen, our luggages were transported in separate wagons. But everything arrived at the same time with us. I was lodged with the three of us in a farmer's house in a room about 15 by 9 feet of size, floored with bricks. It is humid, the house has not got a funnel and thus the room is unheatable. There is an electric light in some part of the village, but none in our house. Petroleum ration tickets have been distributed to us but they could not be released since there is no petroleum available in the village. The farmer is very kind to us. Our room is so small that we hardly can move in it. We are not allowed to leave the village, but we were not molested by the police, either during our way or here in the village. We arrived towards the middle of the current month; eviction transports are going on ever since that time. Bread ration tickets have also been distributed; they are due to one-half pound of bread daily but we have to stand in long lines early in the morning to get it, which is really not enough since meat, grease, and flour are not available. We are allowed to move freely in the village, and also to receive mail, money, and gift parcels. Authorities did not force us to work, up to now. There is opportunity to work 10 hours daily on state farms, the wages are 1.80 forints for 1 hour. Who wants to get food on his working place has to pay 4 forints for it. The farm is at 1 hour distance from the village, but workers are taken to their work places riding on cars. You also can sleep on your working place in worker's hospices; I, myself, am sick, my blood pressure is 220, so I am unable to work and thus only the children will have to work.

About 200 persons arrived together with us. Landowners, tenants are among them, a former minister, a former secretary of state, the latter jammed with six other persons in one room. There is also a Communist Party member among them who was, up to now, active; he was taken away from his office. There is also a former state employee who has been factory worker for 5 years; his hands are rough and his looks is that of a simple workman, etc. They all are in a terrible state of mind. Judging from the present conditions, we guess that we will not stay but for a short time in this place and then we will be taken farther away, in silence, without any publicity. It is remarkable that there is a great number of Jews among us, from all professions and occupations, since the great majority of Jews are class aliens.

Eviction from Budapest is going on day after day and it seems that all the so-called class aliens will be evicted. It seems to be clear now, that all people from whom land, factory, or shop has been taken away, will be evicted. A great number of Jews is among them and some of them quite unimportant people. The major part enjoyed joint [American Jewish Joint Distribution Committee] relief and even those could not escape eviction who were registered among the 780 persons left over from the 3,000 alijjas [immigrants to Israel]. Some of the desperate Jews have fastened a yellow star on their clothes and thus walked on the streets, but they were immediately arrested, together with their families, by the AVO and dragged towards unknown destiny. There is no opportunity for escape; they are under constant control on the trains and highways. The fear and panic is undescrivable.

We are getting on slowly in organizing our new life. For instance we agreed upon with the milkman that he would bring in our mail and take the outgoing mail with him. X.

goes to the market every Thursday and buys everything what we need for a week. We are allowed to move freely among the farms, here in the village, but, for instance, if we would wish to go to J. or to any other village in the neighborhood, we could do it only with the authorization of the village Council—and that means again petitions to be submitted. Once authorized, we have to be accompanied by a policeman, so you can imagine that we are not going unless there is a bad need to do so; we hope we won't need to go and will go on to be in good health. A doctor or a pharmacy are naturally not available. As for our moving to K [a small village in the Transdanubian districts], we don't know anything up to now [this is the place where the son of the persons concerned is living with his family, and where they, themselves, would want to go], but different petitions are already submitted. We have some friends in the surroundings X. Y. and Z. but since we are all rather aged persons we could hardly walk 2 or 3 kilometers, coming and going. Our life is just a simple country life. We are getting up early in the morning and candle-light time in the evening finds us already in bed [no electric light, naturally, in the famous paradise of workers]. We try hard not to think too much, it is completely useless. My great sorrow is that church is also about a distance of 3 kilometers and since no other transport accommodations are available then the "pedes apostolorum", I cannot even go to church. Our room is large but dusty and our floor is the earth. The entrance is from the porch which was appointed by us as the washing and toilette room, since our only "comfort" is a mulberry tree near the stable. This is the most unpleasant of all. So everything is going on in the best way.

These orders of eviction are usually delivered at dawn, in order to avoid unnecessary publicity and to enable the evicted persons to move out of their apartments at night, before the expiration of the 24 hours. No mercy is shown to the old, the sick, the pregnant women or nursing mothers, who are heading for a completely uncertain future. Rumors of eviction fill not only the members of the former middle-class with dread but also the entire country, since nobody knows when a similar fate will befall one of his relatives. Since the mass deportations of the Jews by the Szalasi [Hungarian Nazi] regime no other event made such a deep impression on the public.

The terrible end is rapidly approaching. At 6 a. m. on Monday, 1,200 families received orders for immediate deportation from Budapest. They must clear out within 24 hours. They are deported by trucks and each family is allowed to take 500 kilograms of luggage. They are transported to a farmstead at a distance of 35 kilometers from Szolnok. Nobody knows whether the deportees will have any access to food, medical care, a post office, but we know that this is but the first station on the way to a Russian Auschwitz. This process is going on incessantly and already so many friends have gone away that it is impossible to count them. A deadly silence reigns in the capital, everybody is petrified waiting for the fatal end.

I too should like to be of help in giving you a clearer picture of the Hungarian situation.

Though the Hungarian papers today only published official announcements regarding the deportations, these do not in the least correspond to the facts, for very many more families have fallen victim. All Budapest, and large rural towns too, live in constant trembling because in addition to deportations the Communists terrorize the populace by police raids day and night. These include private homes and are constantly in-

creasing in scope. The whole nation is a prison; on highways they stop the cars, searching for refugees in the luggage compartments.

In view of the ever-increasing terror, hope becomes fainter and more and more people are hard to say that the Americans are responsible for allowing the Russians to carry out their depraved plans, and that the former would deserve to experience what we ourselves have undergone for 6 years. Such complaints are born of utter despair, for another spring has gone by and there is no telling whether the summer will bring any change.

Deportees are transported to camps along-side railway tracks leading to Russia [doesn't deserve a capital]. We find such camps as Jazapati, Jaskiser-Szolnok, and outside Devavagya. West of the Danube they are building mainly airfields and barracks.

A camp consisting of barracks has been established at Tishasuly early in May and during the past weeks a group of evicted persons, those who belonged to the third, most cruel category of evictees, were transported there. They were only 4 days in the camp, then all of them have been deported to the Soviet.

SOS. The horrible days of deportation are intensified. We beg you, for God's sake, help us. Our life is nothing but deadly fear. Why doesn't America or the west retaliate? Let them deport the Communists over there as we are deported here. Let them also be deported. This would have its result. But a note or a protest has no result here.

Help until there is still time. SOS.

EXHIBIT 2

[From the New York Times of July 10, 1951]
TERROR IN HUNGARY CHARGED—DEPORTATIONS TO SLAVE-LABOR AREAS COMPARED TO NAZI METHODS

TO THE EDITOR OF THE NEW YORK TIMES:

The New York Times in its issue of July 6 publishes C. L. Sulzberger's report from Paris, the gist of which is a letter from Hungary. Similar letters are being received by the thousands by American citizens of Hungarian origin since the month of May.

The Hungarian National Council, 339 East Fifty-second Street, New York City, and the American Hungarian Federation, 1624 I Street, Washington, D. C., are collecting these letters, which reveal all the sad and horrible phases of eviction and deportation now taking place in Hungary. We learn from these letters that members of the middle class, newspapermen, and other intellectuals, shopkeepers, and handicraft men have and are being evicted from Budapest and other Hungarian cities under the pretext that they are socially dangerous elements.

Moreover, we learn that age is no obstacle for eviction. The mother of the former mayor of Budapest, Eugen Sipocz, aged 102; the helpless inhabitants of homes for the blind, the crippled, the aged, as well as incurable patients living in charitable institutions, have not been spared. The bodies of persons who cannot stand the strain and die on their way are simply hauled out of the train at intermediate stations. Endre Morvay, former deputy mayor of Budapest, was among those who died on a deportation train.

People who as a protest pinned the yellow star on their clothes as a reminder of Nazi times were severely beaten. The deportation trains are now leaving Budapest three times a week from a suburban station.

EVICTON OF LEADERS

It was from these letters that we learned, further, that Charles Rassay, Rudolf Rupert, and Gabriel Ugron, former leaders of Hungary's Democratic Party, which had al-

ways represented the ideals of freedom in the past, were evicted with their families. For the time being they are living in tiny villages in the eastern part of Hungary, along with the other thousands of evicted persons. These villages, however, can be considered only as transitory places on the line toward Kolima, Karaganda, Tashkent, and Alma-Ata.

There is no difference whatever between Auschwitz and Karaganda. The freezing cold of the Arctic regions, the unendurable labor in the primeval forests, in the gold mines of Kolyma, the coal mines of Karaganda, or in the cotton fields in the tropical heat of Tashkent and Alma-Ata are as murderous as the gas chambers of Auschwitz.

It took a long time for the world to learn the names of Auschwitz and Buchenwald. It may be feared that it will be too late when the opinion of the world will learn the meaning of Kolyma, Karaganda, Tashkent, and Alma-Ata.

FIGHTERS FOR DEMOCRACY

It is a tragic fact that the world is still suffering from a lack of horror in the face of horror. The Democratic Party leaders of Hungary fought for the same ideals in Hungary which were and are the ideals of President Roosevelt and President Truman, of Vice President Barkley and of Senators Lehman and McMahon.

The Hungarian Communist newspapers say that these democratic leaders as well as the thousands of evicted persons, represent a fifth column in the service of the United States attempting to destroy the people's democracy.

I do not know if everyone in the United States is aware of the true meaning of communism. I do not know if everyone is aware in America that communism is a merciless enemy with whom no compromise is possible. I would like to tell those suffering from delusions that it is not only the leaders who are being deported from Hungary. The same is happening to fellow-travelers, the quartermasters of communism.

BELA FABIAN,

Member of the Executive Committee
of the Hungarian National Council.

NEW YORK, July 8, 1951.

EXHIBIT 3

[From the New York Times of July 10, 1951]

THE MARK OF CAIN

The letter which we publish today from Dr. Fabian, of the Hungarian National Council, is one more reminder that the time has come for our Government to do something about these Communist outrages. To gnash one's teeth, to shout protest and imprecations, to express horror and pity, or to throw up one's hands in despair will not help these victims, although it will give them the satisfaction of knowing that they are not suffering in a vacuum. We must do what we can to make certain that they will not suffer in vain.

To begin with, they must be made to understand that the United States is interested in their fate and trying to help them. It is not enough for the Voice of America to tell them so. They should have direct word from Secretary Acheson or even from President Truman. When the world learned about the Nazi extermination camps and deportations in 1943 and 1944, President Roosevelt and other Allied leaders issued warnings that such measures must stop and that the criminals responsible for them would be held to account. On March 24, 1944, the President took it upon himself to issue a special statement in which he again proclaimed "our determination that none who participate in these acts of savagery shall be unpunished." The statement was widely disseminated throughout Europe and circulated through the underground in enemy territory—and by all accounts it was effective.

In this case we are not at war with Hungary, but we did make a peace treaty with her that contained a human-rights clause, and that clause is now being flagrantly violated. The United States has protested on other occasions to the United Nations against such violations in Hungary, Rumania, and Bulgaria, and the protests were ignored or rejected. Another protest against the present deportations in Hungary would receive a similar rebuff, although it should be made for the record. But, obviously, some stronger method is required. The men who conduct these brutal deportations or who carry out the tortures and mock trials of innocent men like Archbishop Groesz or William Oatis are criminals by the standards of the civilized world. Why cannot they be branded as such by leaders of western civilization? We should name names, and with the mark of Cain on them these men will at least know that some day, circumstances permitting, they will be held to account, and their victims will know that we do not and will not forget.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. LEHMAN. I shall be very glad to yield to the Senator from Connecticut.

Mr. McMAHON. Mr. President, I desire to say that the speech the Senator from New York has just delivered is one which needed to be made, and I am delighted at the eloquent way in which the Senator has presented it.

One of the great crimes of history is now being added to the tremendous number of other crimes of liquidation against helpless people by the gentlemen in the Kremlin. I hope that the persons in charge of the Voice of America will take into consideration the speech which the Senator from New York has made and the facts contained therein, and will beam them to the people behind the iron curtain; in fact, to all Western Europe. It should be broadcast so that people can be constantly reminded of the limits to which the men in the Kremlin will go in persecuting their fellow human beings.

I congratulate the Senator from New York for having brought the situation to the attention of the Senate and of the country. I think it was a very fine thing to do.

Mr. LEHMAN. I thank the Senator from Connecticut, and I share his hope that the Voice of America will continue to work on this question and that all responsible officials will make their voices heard.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. BENTON. I should like to associate myself with the remarks of my senior colleague [Mr. McMAHON]. My attention was brought to the subject a little bit earlier this afternoon by the member of the Japanese House of Councilors, who told me, while I was waiting to introduce him to the distinguished Senator from New York, that of the 300,000 Japanese prisoners who are still in Soviet hands, he estimates that 200,000 have died through mistreatment and abuse.

The pattern which has been so eloquently described this afternoon by the distinguished Senator from New York as applied to Hungary is a pattern of man's

inhumanity to man which has been repeated in country after country which has fallen under Soviet domination. It is, of course, familiar to all those nations any of whose citizens are prisoners of Soviet Russia.

I congratulate the distinguished Senator from New York on one of the most eloquent, appropriate, and important speeches that has been made in the Senate in many weeks.

Mr. LEHMAN. I thank the Senator from Connecticut for his very gracious remarks and for his very interesting comments.

Mr. McFARLAND. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I yield to the distinguished majority leader.

Mr. McFARLAND. Mr. President, I desire to add my congratulations to the Senator from New York for his splendid speech, which he delivered at a very appropriate time. I should like to say that, of course, it is important that the Voice of America reach other nations, but it is also important that the people of the United States understand the situation. If we will stop and think about the conditions which prevail under dictatorships, we can and will put forth a solid front and see to it that peace is won. That is the important thing—to have peace under conditions which will mean liberty and justice throughout the world.

Mr. LEHMAN. I thank the distinguished majority leader for his comments and to say that I fully agree that today there are countless millions of persons in this country, loyal, patriotic, humane Americans, who still do not realize the dangers and the evils of totalitarian government.

Mr. President, I yield the floor.

AMENDMENT OF HOUSING ACT OF 1950

Mr. SPARKMAN. Mr. President, I have no intention of detaining the Senate for more than a few minutes. There is one subject about which I desire to say a word. I have today introduced a Senate joint resolution to increase the amount of money available for direct loans to veterans for housing to a total of \$300,000,000. When the Senate had under consideration the Housing Act of 1950, I succeeded in amending the bill so as to provide for direct veterans' loans as a backstop in cases where the normal home mortgage-financing companies were not able to operate. During most of the year the fund functioned well and was not called upon for very much support.

However, during the past few months, as we all know, the home mortgage market has been very tight. As a result the veterans' fund has been called upon more and more heavily. Senators may remember that when the Defense Housing Act was under consideration in the spring of this year, I submitted an amendment to extend the authority to lend the \$150,000,000, and make it a revolving fund. The authority to lend the \$150,000,000 would have expired June 30 of this year. The Senate accepted that amendment, and it was written into the Defense Housing bill. Later, the House not having acted on the Defense Housing

bill, a Member of the House introduced as a separate bill the language contained in the Defense Housing bill relating to veterans' loans and the House passed it as a separate bill, and sent it to the Senate. Still later, when we passed the Defense Production Act, we again adopted this provision relating to direct loans to veterans. Three times the Senate acted on that proposal. Finally the House passed the Defense Housing Act. The bill went to conference, and the veterans' provision was written into the conference report exactly in the form in which I had submitted it earlier in the year.

I may say that it provided for an extension of 2 years, and also made of the \$150,000,000, or at least what remained of it, a revolving fund, for any demands that may be made after the time of the approval of that provision. When the conference report was before the Senate I called the attention to the fact that that provision had been written into the law, that the amount was very small, particularly in view of the stagnant condition of the mortgage money market, and that it might be necessary to ask the Senate for additional authorization.

Mr. President, that is what I am aiming at in the joint resolution I introduced today. According to my information, of the \$150,000,000 originally authorized, \$147,000,000 has been allocated, and as of August 10, 1951, Veterans' Administration disbursements and commitments outstanding totaled slightly over \$106,000,000 for direct loans approved prior to June 30, 1951.

That means that only about \$44,000,000 balance is available for additional direct loans.

Counting the estimated \$1,500,000 repayments expected, there is only enough left for about 7,000 loans based on the previous average loan of \$6,500. Additional loans can be made depending on how fast the fund revolves, but with the present market it is not likely to revolve fast enough to take care of all the applications for the loans. In other words, unless we take appropriate action now, when we go home the veterans in our respective communities will be coming to us and saying, "We cannot get a veteran's loan for housing."

Mr. President, this is a simple matter. It does not provide any great amount of additional funds. If the money market loosens up again a little later, as a great many persons predict it will, mortgage money will be available, and no damage will have been done.

I earnestly hope that the Banking and Currency Committee will give early attention to the joint resolution I have introduced, and that it may be reported to the Senate so the Senate and the House can pass it before Congress adjourns.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a copy of the joint resolution—it is only four or five lines long—and also an article taken from today's Journal of Commerce entitled "Revolving Home Loan Fund Is Set."

There being no objection, the joint resolution (S. J. Res. 98) and the article referred to were ordered to be printed in the RECORD, as follows:

Resolved, etc., That the first sentence of section 513 (a) of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended by striking out the sum "\$150,000,000", and inserting in lieu thereof the sum "\$300,000,000."

REVOLVING HOME LOAN FUND IS SET

WASHINGTON, August 28.—The Veterans' Administration said today its new direct home-loan program will start with a revolving fund of about \$43,000,000.

A spokesman for the agency said this fund may increase as war veterans repay their loans, amortized on a monthly basis, or as VA sells the loans to insurance companies and other buyers.

He added that VA may have to revise its list of areas in which private home-building loans to war veterans at 4-percent interest are not currently available. The Housing Act of 1950 authorized loans up to \$10,000 each, in areas where private 4-percent financing was unavailable.

Surveys showed that the program should operate initially in about 2,200 of the Nation's 3,100 counties, largely in nonmetropolitan areas.

As conditions changed, the lists of operating areas were revised. In recent months, 4-percent financing also has disappeared from some metropolitan areas.

The 1950 act provided \$150,000,000 for the VA home-loan program.

In the year of operation, some 17,000 loans totaling about \$107,000,000 were granted. However, there was no provision for a revolving fund, and repayments went to the Treasury.

At the end of the fiscal year about \$43,000,000 remained.

INDEPENDENT AIR CARRIERS

Mr. SPARKMAN. Mr. President, I wish to take 3 or 4 minutes of the time of the Senate to speak on another subject. That subject is the treatment by the Civil Aeronautics Board of the small, independent, irregular air carriers. Some time ago the Small Business Committee conducted hearings as to the treatment of these carriers. It became evident that as a result of a regulation which had been promulgated by the Civil Aeronautics Board the small, non-scheduled, independent carriers would be put out of business. That order was the death sentence to them. There can be no question about that. We found that most of these small carriers were veterans of the second world war who had put their savings from that war into perhaps one airplane, sold by the United States Government as surplus property, with the actual encouragement by the Federal Government in disposing of the planes that the veterans ought to go into this business. They went into the business and have done a tremendous lot of good in the United States and in Alaska.

The Small Business Committee was unanimous, after those hearings, in recommending to the Civil Aeronautics Board, first of all, that it rescind that regulation. The Board did rescind it. Second, that they work out some kind of a reasonable plan whereby the small, independent carriers might be able to continue to operate. We recognized them as a very valuable asset. We found

that there was little if any competition between them and the large scheduled carriers, certainly not enough to hurt. If any Senator does not think that is correct, let him become stranded in some city and then try to get home without a previous reservation made on a scheduled carrier. Anyway, be that as it may, we came to the unanimous decision in the committee that that ought to be done. Before the report was issued we called in the Civil Aeronautics Board. They all came to my office and sat around there and we went over the report item by item and discussed it.

Mr. President, I have been disappointed in the fact, first of all, that the Civil Aeronautics Board apparently has made no effort since that time to work out a program whereby this tremendous asset to the economy, the security, the defense of the United States may be maintained. I believe that, if necessary, legislation should be enacted to safeguard against such a death sentence as the Board promulgated sometime ago. Certainly I believe that we ought to express most strongly our disapproval of the slow death by strangulation that they are practicing now by administrative order. We recognized the danger from the very beginning, that one by one, as they come up to apply for exemption, the Board could refuse to give them exemption, their right to continue to operate for another year, and, therefore, they would be forced out of business. Instead of all of them being forced out of business at once, they are gradually being forced out as they come up, one by one. It may be a slower death, it may be less painful, but it is just as certain and it is just as harmful and just as destructive to the economy and the security of the country. We should keep our implied pledge when we sold our surplus airplanes to those young veterans in order that they might go into the business.

Mr. President, within the last day or two the Board has made a finding in which it has denied operations to one of these companies along the line I have suggested, setting the pattern, apparently, of knocking them off one by one as they come up for their certificates of exemption. Mr. President, as chairman of the Small Business Committee, and speaking, I believe, the unanimous opinion of that committee, I desire to say that such action is completely contrary to the recommendations our committee made to the Board and with which the Board indicated at least it was willing to comply. I consider it as uncalled for, and as destructive of one of the great economic factors in this country. I was about to say that it is destructive of the only small-business element in this industry. That is not correct, because there are some feeder lines which are small business. But it is destructive of a great part of the small-business activity in the field of air transportation.

Mr. President, perhaps this is not my business. I am not a member of the Committee on Interstate and Foreign Commerce, which has jurisdiction over legislation of this type. However, I am a Member of the United States Senate.

I am a Member of Congress, and responsible for legislation generally. I was a Member of the House when the Transportation Act of 1938 was passed. I believe it was a good act. But, Mr. President, if the Civil Aeronautics Board is going to act in this way, I say that the time has come for the Congress to re-examine the Civil Aeronautics Act. It is time to reexamine the Civil Aeronautics Board and its method of operating under that act, to determine whether or not it is the will of the American people that air transportation shall be reserved for the few large operators.

A few minutes ago I stated that a few small companies were permitted to operate as feeder lines; but very, very few. My guess is, without examining the record, that most of those small feeder lines originally applied for major transportation routes but were denied them. I do not believe that the Civil Aeronautics Board, as it operates today, is giving proper consideration to the maintenance of the very bulwark of private enterprise in this country, and that is the thing out of which the backbone of private enterprise is made, namely, small-business operations.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared on this subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I will take only a very few minutes of the Senate's time, but I feel obliged to bring to the attention of this body the apparent flouting of a congressional committee by a part of the administrative branch of the Government.

In April and May of this year, the Senate Small Business Committee held extensive hearings on the role of the irregular transportation industry.

Our Small Business Committee entered into this matter because we saw here a typical example of small enterprise being throttled. It appeared to be the classic study of the growing trend toward eliminating new, energetic enterprise, by the use of unfair and inequitable regulations—a matter of primary concern to the Senate Small Business Committee. Of course, the regular committee dealing with aviation, the Senate Interstate and Foreign Commerce Committee under the able chairmanship of the distinguished Senator from Colorado, Senator EDWIN C. JOHNSON, has continuing responsibility in this field, and any legislative reforms which might be required in the future would certainly emanate from this committee. Our committee gave a great deal of time and thought to this problem. It was obvious that the Civil Aeronautics Board was engaged in a campaign to force all the so-called, non-scheduled coach airlines—the independent segment of the air-carrier industry—out of business. These non-scheduled airlines had pioneered a new type of low-cost air service in 1946 and had proven the feasibility of air coach transportation. I want to make plain that these non-scheduled airlines receive no direct subsidy whatsoever, and represent the enterprise of young veteran flyers who were encouraged to set up their businesses by various agencies of the Federal Government after the war. These non-scheduled airlines have not had a fatal accident since July of 1949 and have flown 2,000,000,000 passenger-miles with complete safety.

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 30 (legislative day, AUGUST 27), 1951
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. BENTON to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:

- 1 On page 43, line 3, after "SEC. 2." insert "(a)".
- 2 On page 43, between lines 17 and 18, insert the
- 3 following:
- 4 “(b) It is hereby declared to be the policy of the Con-
- 5 gress, that, to the extent that it is readily feasible and does
- 6 not interfere with the achievement of the purposes set forth
- 7 in subsection (a), the assistance authorized by title I of this
- 8 Act shall be provided in such a way as (1) to discourage
- 9 the cartel and monopolistic practices prevailing in European
- 10 business which result in restricting production and increasing

1 prices, and to encourage where suitable competition and pro-
 2 ductivity, and (2) to encourage where suitable the develop-
 3 ment and strengthening of the free labor union movements
 4 of Europe as the collective bargaining agencies of European
 5 labor.”

Calendar No. 678

82d CONGRESS
1st Session

H. R. 5113

AMENDMENTS

Intended to be proposed by Mr. BENTON to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

August 30 (Legislative day, August 27), 1951
 Ordered to lie on the table and to be printed

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 30 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. DIRKSEN to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:

- 1 Beginning with line 9, page 53, strike out all down to
- 2 and including line 13 on page 54.
- 3 Renumber succeeding titles and sections accordingly.

Calendar No. 678

82ND CONGRESS
1ST SESSION

H. R. 5113

AMENDMENTS

Intended to be proposed by Mr. DIRKSEN to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

AUGUST 30 (legislative day, AUGUST 27), 1951
Ordered to lie on the table and to be printed

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 30 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. DIRKSEN (for himself, Mr. BYRD, Mr. McCLELLAN, Mr. WELKER, Mr. WHERRY, Mr. MALONE, Mr. CASE, Mr. MUNDT, Mr. WILLIAMS, Mr. SCHOEPPEL, Mr. TAFT, Mr. DWORSHAK, Mr. BUTLER of Maryland, Mr. WATKINS, Mr. BRICKER, and Mr. KEM) to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:

- 1 On page 45, line 17, strike out "\$1,130,500,000" and
- 2 insert in lieu thereof "\$630,500,000".

AMENDMENT

Intended to be proposed by Mr. DIRKSEN (for himself, Mr. BYRD, Mr. MCCLELLAN, Mr. WELKER, Mr. WHEERRY, Mr. MALONE, Mr. CASE, Mr. MUNDT, Mr. WILLIAMS, Mr. SCHOEPPEL, Mr. TAIT, Mr. DWORSHAK, Mr. BUTLER of Maryland, Mr. WATKINS, Mr. BRICKER, and Mr. KEAY) to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

August 30 (legislative day, August 27), 1951

Ordered to lie on the table and to be printed

Calendar No. 678

82D CONGRESS
1ST SESSION

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 30 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. GREEN (for himself, Mr. McMAHON, Mr. FULBRIGHT, and Mr. SPARKMAN) to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:

1 On page 44, line 6, strike "\$5,043,350,000" and insert
2 "\$5,293,000,000".

3 On page 45, line 17, strike "\$1,130,500,000" and insert
4 "\$1,675,000,000".

5 On page 47, line 6, strike "\$396,250,000" and insert
6 "\$415,000,000".

7 On page 48, line 16, strike "\$122,500,000" and insert
8 "\$175,000,000".

1 On page 48, line 24, strike "\$40,000,000" and insert
2 "\$50,000,000".

3 On page 49, line 13, strike "\$40,000,000." and insert
4 "\$50,000,000."

5 On page 49, line 25, strike "\$535,250,000" and insert
6 "\$555,000,000".

7 On page 50, line 15, strike "\$178,750,000" and insert
8 "\$262,500,000".

9 On page 51, line 12, strike "\$75,750,000" and insert
10 "\$62,500,000".

11 On page 53, line 14, strike "\$38,150,000" and insert
12 "\$40,000,000".

13 On page 54, line 10, strike "\$15,250,000" and insert
14 "\$22,000,000".

AMENDMENTS

Intended to be proposed by Mr. GREEN (for himself, Mr. McMAHON, Mr. FULBRIGHT, and Mr. SPARKMAN) to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

August 30 (legislative day, August 27), 1951

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Calendar No. 678

82D CONGRESS
1ST SESSION

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 30 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. LONG to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:

1 On page 44, line 6, strike out "\$5,043,350,000" and
2 insert "\$4,043,000,000".

82D CONGRESS
1ST SESSION

H. R. 5113

AMENDMENT

Intended to be proposed by Mr. Long to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

August 30 (legislative day, August 27), 1951

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Calendar No. 678

82D CONGRESS
1ST SESSION

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 30 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MOODY (for himself and Mr. McMAHON) to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:
At the end of the bill add a new section as follows:

- 1 SEC. 519. The chairmen of the Foreign Relations and
- 2 Armed Services Committees of the Senate and the Foreign
- 3 Affairs and Armed Services Committees of the House of
- 4 Representatives shall appoint a joint committee to (a) con-
- 5 duct an investigation as to the adequacy of the amounts
- 6 authorized in this Act with particular reference to the degree
- 7 of military preparedness necessary for the achievement of the
- 8 objectives of this Act and to repel or deter any aggression
- 9 against the nations signatory to the North Atlantic Treaty,

- 1 and (b) review the policy of the North Atlantic Treaty
- 2 nations with respect to the timing of their military program.
- 3 Such committees shall report their findings to their respective
- 4 Houses on or before February 1, 1952.

82ND CONGRESS
1ST SESSION

Calendar No. 678

H. R. 5113

AMENDMENT

Intended to be proposed by Mr. MOODY (for himself and Mr. McMAHON) to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

August 30 (legislative day, August 27), 1951

Ordered to lie on the table and to be printed

Calendar No. 678

82^D CONGRESS
1ST SESSION

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 30 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. SMATHERS to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:

- 1 On page 54, line 10, strike out "\$15,250,000" and in-
2 sert "\$22,000,000".

82^d CONGRESS
1ST SESSION

H. R. 5113

AMENDMENT

Intended to be proposed by Mr. SMITHERS to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

AUGUST 30 (Legislative day, AUGUST 27), 1951

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Calendar No. 678

82D CONGRESS
1ST SESSION

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 30 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. SMITH of New Jersey (for himself, Mr. DOUGLAS, Mr. TAFT, and Mr. KEFAUVER) to the committee amendment to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:

1 On page 46, beginning on line 10, strike out sub-
2 section (b) and insert in lieu thereof the following:

3 “(b) Not to exceed 10 per centum of the total of
4 the appropriations granted pursuant to this section may be
5 transferred between appropriations granted pursuant to
6 either paragraph of subsection (a) whenever the
7 Administrator determines that the funds so transferred
8 will, by virtue of such transfer, be more effective

1 in fulfilling the needs determined and certified by the
2 Secretary of Defense pursuant to section 503 (a) of this
3 Act: *Provided*, That the amount herein authorized to be
4 transferred shall be determined without reference to any
5 balances of prior appropriations continued available pur-
6 suant to this section: *Provided further*, That, whenever
7 the Administrator makes any such determination, he shall
8 forthwith notify the Committee on Foreign Relations of
9 the Senate, the Committee on Foreign Affairs of the House
10 of Representatives, and the Committees on Armed Services
11 of the Senate and of the House of Representatives.”

12 On page 54, beginning on line 15, strike out from line 15
13 through line 11 on page 55 and insert in lieu thereof the
14 following new matter:

15 “MUTUAL SECURITY ADMINISTRATION

16 “SEC. 501. (a) There is hereby established, with its
17 principal office at the seat of the Government, an agency to
18 be known as the Mutual Security Administration, hereinafter
19 referred to as the Administration. The Administration shall
20 be headed by a Mutual Security Administrator, hereinafter
21 referred to as the Administrator, who shall be appointed by
22 the President, by and with the advice and consent of the
23 Senate, and who shall be responsible to the President. The
24 Administrator shall have a status in the executive branch of
25 the Government comparable to that of the head of an execu-

1 tive department, and shall receive compensation at the same
2 rate.

3 “(b) There shall be in the Administration a Deputy
4 Mutual Security Administrator who shall be appointed by the
5 President, by and with the advice and consent of the Senate,
6 and shall receive compensation at the same rate as that
7 payable to an Under Secretary of an executive department.
8 The Deputy Mutual Security Administrator shall perform
9 such functions as the Administrator shall designate and shall
10 be Acting Mutual Security Administrator during the absence
11 or disability of the Administrator or in the event of a vacancy
12 in the office of Administrator.

13 “SEC. 502. (a) Except as otherwise provided in this
14 Act, there shall be transferred to the Administrator the
15 powers and functions conferred upon—

16 “(1) the Administrator for Economic Cooperation
17 by the Economic Cooperation Act of 1948, as amended,
18 and other public laws, except that the powers and func-
19 tions conferred on him by the Far Eastern Economic
20 Assistance Act of 1950 and by sections 115 (i) and
21 117 (a) of the Economic Cooperation Act of 1948, as
22 amended, shall be vested in the President;

23 “(2) the President by the Mutual Defense Assist-
24 ance Act of 1949, as amended, and the Act of May 22,
25 1947, as amended, except the power to conclude interna-

1 tional agreements, the power to make appointments by
2 and with the advice and consent of the Senate, and the
3 powers enumerated in section 408 (c) of the Mutual
4 Defense Assistance Act of 1949, as amended; and, in
5 the case of aid to countries covered by titles II, III, and
6 IV of this Act, such powers and functions as the Presi-
7 dent shall direct to be exercised by the Secretary of
8 Defense.

9 “(b) The following agencies and offices shall cease to
10 exist:

11 “(1) The Economic Cooperation Administration
12 and the offices of Administrator and Deputy Admin-
13 istrator for Economic Cooperation;

14 “(2) The office of United States Special Represent-
15 ative in Europe and of Deputy United States Special
16 Representative in Europe created by the Economic Coop-
17 eration Act of 1948, as amended;

18 “(c) Any personnel, upon the certification of the
19 Administrator that such personnel are necessary to carry out
20 the functions of the Administrator, and all records and prop-
21 erty which the Director of the Bureau of the Budget deter-
22 mines are used primarily in the administration of the powers
23 and functions transferred to the Administrator by this Act,
24 shall be transferred to the Mutual Security Administration:
25 *Provided*, That personnel transferred pursuant to this sub-

1 section shall continue to enjoy the same civil-service status
2 as they had prior to transfer.

3 “SEC. 503. (a) In the case of aid to countries eligible
4 for assistance under title I of this Act, including Greece and
5 Turkey, the Secretary of Defense shall determine, and certify
6 to the Administrator from time to time, the needs of such
7 countries for military end items and military facilities to carry
8 out programs of individual and collective self-defense ap-
9 proved by the United States Government. The Adminis-
10 trator shall be responsible for making continuing studies of
11 the capacity of such countries to produce military end items
12 for themselves and for each other, and shall take all neces-
13 sary and reasonable action (including necessary assistance
14 pursuant to section 101 (a) (2) of this Act) to assure the
15 maximum production of such items by such countries, con-
16 sistent with the security interests of the United States as
17 determined by the Secretary of Defense. Any such items
18 which the Administrator concludes cannot be produced by
19 such countries, or which the Secretary of Defense deter-
20 mines should, in the interest of national security, be pro-
21 duced in the United States, shall be procured by the Secre-
22 tary of Defense; and the Secretary of Defense shall be re-
23 sponsible for the delivery of such items and for assuring their
24 ultimate use in accordance with military programs approved
25 by the United States Government. For the purposes of this

1 Act the term military end items means such goods and serv-
2 ices and related technical assistance, advice, and training as
3 the Secretary of Defense determines are required for direct
4 military use by the Armed Forces receiving such materials.

5 “(b) In accordance with the provisions of the above
6 subsection, the Secretary of Defense shall have primary re-
7 sponsibility and authority for—

8 “(1) the determination of military end-item re-
9 quirements;

10 “(2) the procurement of military end items;

11 “(3) the establishment of priorities in procurement
12 and deliveries and the allocation of military end items
13 between services and countries;

14 “(4) the supervision of end-item use by the recip-
15 ient countries;

16 “(5) the supervision of the training of foreign mili-
17 tary personnel; and

18 “(6) the movement and delivery of military items.

19 “COORDINATION OF ACTIVITIES

20 “SEC. 504. In order to strengthen and make more effec-
21 tive the conduct of the foreign relations of the United States,
22 and to carry out the purpose of this Act—

23 “(1) the Secretary of State, the Administrator, and
24 the Secretary of Defense shall keep each other fully and
25 currently informed on matters, including prospective

1 action, arising within the scope of their respective duties
2 which are pertinent to the duties of the other;

3 “(2) whenever the Secretary of State believes that
4 any action, proposed action, or failure to act on the part
5 of the Administrator is inconsistent with the foreign-
6 policy objectives of the United States, he shall consult
7 with the Administrator and, if differences of view are
8 not adjusted by consultation, the matter shall be referred
9 to the President for final decision;

10 “(3) whenever the Secretary of Defense believes
11 that any action, proposed action, or failure to act on the
12 part of the Administrator is inconsistent with the mili-
13 tary security objectives of the United States, he shall
14 consult with the Administrator and, if differences of view
15 are not adjusted by consultation, the matter shall be
16 referred to the President for final decision; and

17 “(4) whenever the Administrator believes that any
18 action, proposed action, or failure to act on the part of
19 the Secretary of State or the Secretary of Defense in
20 performing functions under this Act, is inconsistent with
21 the purpose and provisions of this Act, he shall consult
22 with the Secretary of State and the Secretary of Defense
23 as appropriate and, if differences of view are not ad-
24 justed by consultation, the matter shall be referred to
25 the President for final decision.

1 "MEMBERSHIP IN OTHER AGENCIES

2 "SEC. 505. (a) Section 4 (a) of Public Law 171, Sev-
3 enty-ninth Congress, as amended (50 Stat. 512), is amended
4 by striking out 'Economic Cooperation Administration' and
5 inserting in lieu thereof 'Mutual Security Administration' and
6 by striking out 'Administrator for Economic Cooperation' and
7 inserting in lieu thereof 'Mutual Security Administrator'.

8 "(b) Clause (6) of the fourth paragraph of section 101
9 (a) of Public Law 253, Eightieth Congress, as amended, is
10 hereby further amended by inserting after 'Munitions Board,'
11 the following: 'the Mutual Security Administrator so long as
12 the Mutual Security Administration shall continue to exist,'.

13 "(c) For so long as the Mutual Security Administration
14 shall continue to exist the Administrator shall be a member,
15 ex officio, of the Board of Directors of the Export-Import
16 Bank of Washington, established by the Export-Import Bank
17 Act of 1945 (12 U. S. C. 635).

18 "REGIONAL MUTUAL SECURITY REPRESENTATIVES

19 "SEC. 506. (a) There shall be a United States Mutual
20 Security Representative in Europe who shall (1) be ap-
21 pointed by the President, by and with the advice and consent
22 of the Senate; (2) be entitled to receive the same com-
23 pensation and allowances as a chief of mission, class 1,
24 within the meaning of the Act of August 13, 1946 (22
25 U. S. C. 801-1158); and (3) have the rank of ambassador

1 extraordinary and plenipotentiary. He shall be the repre-
2 sentative of the Administrator and receive his instructions
3 from him, and such instructions shall be prepared and
4 transmitted to him in accordance with procedures agreed
5 to among the Administrator, the Secretary of State, and
6 the Secretary of Defense in order to assure appropriate
7 coordination as provided by section 503 of this title. He
8 shall coordinate the activities of the chiefs of such special
9 missions provided for in section 507 of this title as may
10 be placed under his jurisdiction by the Administrator. He
11 shall keep the Administrator, the Secretary of State, the
12 Secretary of Defense, the chiefs of the United States diplo-
13 matic missions, and the chiefs of the special missions
14 provided for herein fully and currently informed concerning
15 his activities. He shall consult with the chiefs of all such
16 missions, who shall give him such cooperation as he may
17 require for the performance of his duties under this title.

18 “(b) There shall be a Deputy United States Mutual
19 Security Representative in Europe who shall (1) be appoint-
20 ed by the President, by and with the advice and consent of
21 the Senate; (2) be entitled to receive the same compensa-
22 tion and allowances as a chief of mission, class 3, within the
23 meaning of the Act of August 13, 1946; and (3) have the
24 rank of ambassador extraordinary and plenipotentiary. The

1 Deputy shall perform such functions as the United States
2 Mutual Security Representative in Europe shall designate,
3 and shall be Acting United States Mutual Security Repre-
4 sentative in Europe during the absence or disability, or in
5 the event of a vacancy in the office, of the Representative.

6 “(c) The Deputy United States Representative North
7 Atlantic Council and the United States Mutual Security Rep-
8 resentative in Europe shall keep each other fully and cur-
9 rently informed concerning their activities.

10 “(d) When necessary to carry out the purpose of this
11 Act, the President is authorized to appoint not more than
12 three additional Mutual Security Representatives and three
13 Deputy Mutual Security Representatives for other regions in
14 accordance with the applicable provisions of subsection (a)
15 of this section. Any Mutual Security Representative
16 appointed pursuant to this section shall be entitled to receive
17 the same rank, compensation, and allowances as the highest
18 ranking chief of any United States diplomatic mission in the
19 region.

20 “SPECIAL MUTUAL SECURITY MISSIONS ABROAD

21 “SEC. 507. (a) Except as provided in subsection (e) of
22 this section, the Administrator may establish in each country
23 receiving assistance under this Act a special mutual security
24 mission under the direction of a chief who shall be responsible
25 for assuring the performance within such country of opera-

1 tions under this Act. The chief shall be appointed by the
2 Administrator, shall receive his instructions from the Admin-
3 istrator, and shall report to the Administrator on the per-
4 formance of the duties assigned to him. The chief of the
5 special mission shall take rank immediately after the chief
6 of the United States diplomatic mission in such country;
7 and the chief of the special mission shall be entitled to receive
8 the same compensation and allowances as a chief of mission,
9 class 3, or a chief of mission, class 4, within the meaning of
10 the Act of August 13, 1946, or compensation and allowances
11 in accordance with section 501 (d) of this Act, as the Ad-
12 ministrator shall determine to be necessary or appropriate.

13 “(b) The chief of the special mission shall keep the chief
14 of the United States diplomatic mission fully and currently
15 informed on matters, including prospective action, arising
16 within the scope of the operations of the special mission and
17 the chief of the diplomatic mission shall keep the chief of the
18 special mission fully and currently informed on matters rela-
19 tive to the conduct of the duties of the chief of the special
20 mission. The chief of the United States diplomatic mission
21 will be responsible for assuring that the operations of the
22 special mission are consistent with the foreign-policy objec-
23 tives of the United States in such country, and to that end
24 whenever the chief of the United States diplomatic mission
25 believes that any action, proposed action, or failure to act on the

1 part of the special mission is inconsistent with such foreign-
2 policy objectives, he shall so advise the chief of the special
3 mission and the United States Mutual Security Representa-
4 tive. If differences of view are not adjusted by consultation,
5 the matter shall be referred to the Secretary of State and the
6 Administrator for decision.

7 “(c) With the approval of the Secretary of State the
8 Administrator may, if he deems it appropriate, direct that
9 the functions of the chief or deputy chief of the special
10 mission in any country be assumed by the chief of the
11 United States diplomatic mission in that country. In such
12 cases the chief of the diplomatic mission shall report to
13 the Administrator, and shall receive directions from him,
14 with respect to carrying out functions relating to the purpose
15 of this Act.

16 “(d) The Secretary of State shall provide such office
17 space, facilities, and other administrative services for the
18 United States Mutual Security Representatives and their
19 staffs, and for each special mission, as may be agreed be-
20 tween the Secretary of State and the Administrator.

21 “(e) With respect to any of the zones of occupation
22 of Germany and Austria and of the Free Territory of Trieste,
23 during the period of occupation, the President shall make
24 appropriate administrative arrangements for the conduct

1 of operations under this title, in order to enable the Adminis-
2 trator to carry out his responsibility to assure the accom-
3 plishment of the purpose of this Act.”

4 On page 55, line 13, renumber section 503 as section
5 508.

6 On page 56, strike out all after line 21 through line 16
7 on page 57.

8 On page 57, line 18, renumber section 505 as section
9 509.

10 On page 57, lines 21 and 22, strike out “by the Mutual
11 Defense Assistance Act of 1949, as amended (22 U. S. C.
12 1571-1604)” and insert in lieu thereof “on the Administrator
13 by this Act”.

14 On page 58 strike out all after the word “authority”
15 on line 12 through “amended”, on line 13, and insert in lieu
16 thereof the words “of the Administrator under this Act”.

17 On page 58, strike out all after line 18 through page 59,
18 line 11, and in lieu thereof insert the following:

19 “(c) Section 122 of the Economic Cooperation Act of
20 1948, as amended, and subsection (d) of section 405 of the
21 Mutual Defense Assistance Act of 1949, as amended, are
22 hereby repealed.”

23 On page 59, line 13, renumber section 506 as section
24 510.

1 On page 60, line 11, strike out section 507 and insert
2 in lieu thereof the following:

3 “SEC. 511. All provisions of this Act except sections
4 502 and 508 shall take effect upon the date of its enactment.
5 Section 508 shall take effect ninety days thereafter, and
6 section 502 shall take effect on such date, not more than
7 sixty days after the date the Administrator first appointed
8 takes office, as the President shall prescribe.”

9 Beginning on page 60, line 14, renumber all the remain-
10 ing sections to conform with the foregoing amendments.

11 On page 63, line 18, and on page 64, line 3, strike out
12 “President” and insert in lieu thereof “Administrator”.

AMENDMENTS

Intended to be proposed by Mr. SMITH of New Jersey (for himself, Mr. DOUGLAS, Mr. TAFT, and Mr. KEFAUVER) to the committee amendment to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

AUGUST 30 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

Calendar No. 678

82^D CONGRESS
1ST SESSION

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 30 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. TAFT to the bill (H. R. 5113)
to maintain the security and promote the foreign policy and
provide for the general welfare of the United States by
furnishing assistance to friendly nations in the interest of
international peace and security, viz: On pages 58 and 59
strike out all of paragraph (c) and insert:

1 (c) The Economic Cooperation Administration is
2 hereby abolished and all of its powers and functions are
3 transferred to the officer administering the Mutual Defense
4 Assistance program, both in the United States and the
5 various foreign countries where such program is in effect.
6 In those foreign countries in which the Mutual Defense
7 Assistance program is not in effect, the powers of the Eco-
8 nomic Cooperation Administration shall be administered by
9 such officer as the President may designate.

AMENDMENT

Intended to be proposed by Mr. TART to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

AUGUST 30 (legislative day, AUGUST 27), 1951
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Calendar No. 678

82^D CONGRESS
1ST SESSION

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 30 (legislative day, AUGUST 27), 1951

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AMENDMENT

Intended to be proposed by Mr. CASE to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz: On page 60, after line 9, insert the following new section:

1 SEC. 506A. The President is advised that Congress
2 looks with favor on proposals to form a Federation of the
3 Free States of Europe. To advance this policy, the Admin-
4 istrator shall use his powers and duties under this Act to—

5 (1) encourage the economic integration of the
6 Free States of Europe;

7 (2) assist in the formation of a Continental Police
8 Force to preserve the peace of Europe;

9 (3) require counterpart funds in local currencies

1 from any country receiving aid under this Act to be
2 available to the United States for the procurement of
3 strategic materials, acquisition and improvement of
4 property needed by the United States in those countries
5 and for the acquisition of holdings or claims of European
6 nations in the Western Hemisphere: *Provided, however,*
7 That counterpart funds received for aid assigned in turn
8 by any country to the Federation of Free States of
9 Europe shall be placed in the treasury of such Federa-
10 tion for expenditure as it may determine.

82d CONGRESS
1st Session

H. R. 5113

AMENDMENT

Intended to be proposed by Mr. Case to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

August 30 (legislative day, August 27), 1951

Ordered to lie on the table and to be printed

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 30 (legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. ELLENDER to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, viz:

- 1 On page 51, line 12, strike out "\$75,750,000" and
- 2 insert "\$69,000,000".
- 3 On page 54, line 10, strike out "\$15,250,000" and
- 4 insert "\$22,000,000".

82^d CONGRESS
1ST SESSION

H. R. 5113

AMENDMENTS

Intended to be proposed by Mr. ELLENDER to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

AUGUST 30 (Legislative day, AUGUST 27), 1951

Ordered to lie on the table and to be printed

curity of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, and for other purposes, as passed by the Senate, be printed, with the Senate amendments numbered. Otherwise there could not be a print of the bill until the House reconvenes. A number of Senators desire to have copies of the bill as passed by the Senate.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

ADDRESSES EDITORIALS, ARTICLES, ETC.,
PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. LEHMAN:

Statement by him on the Niagara power project, made by him before the Senate Public Works Committee on August 21, 1951.

By Mr. WILEY:

Statement prepared by him, editorial comment, and letter with respect to continuing the anticrime crusade.

Memorandum by the American Zionist Council and communication regarding appropriations for the Near East.

Telegram from Msgr. Edward E. Sawstrom, director of war relief services, National Catholic Welfare Conference, regarding future international manpower action.

By Mr. BRIDGES:

Condensation of booklet entitled "At the Crossroads of Destiny," by Francis H. Buffum, of Concord, N. H.

By Mr. BUTLER of Maryland:

Editorial entitled "Freedom Unadulterated," reprinted from the Akron Beacon-Journal, commenting on address delivered by Senator BRICKER on the denunciation by the United Nations Economic and Social Council of a proposed covenant on freedom of information.

By Mr. BRICKER:

Editorial entitled "This Press Freedom," published in the Columbus (Ohio) Evening Dispatch of August 28, 1951, referring to United Nations Commission on Freedom of the Press.

By Mr. JOHNSON of Colorado:

Editorial entitled "America's Pattern Could Make Real UN," written by A. D. Quaintance and published in the Denver Post.

By Mr. MARTIN:

Editorial entitled "Yalta Agreement Was Great Tragedy," published in the Washington (Pa.) Observer.

Editorial entitled "How Not To Prepare," published in the Bridgeport Post of August 28, 1951, relating to the President's dispersal-of-industry policy.

By Mr. AIKEN:

Editorial entitled "The Morgan Horse Farm," published in the Washington Star of August 30, 1951.

ANNIVERSARY OF INVASION OF POLAND
BY GERMANY

Mr. FREAR. Mr. President, Saturday of this week, September 1, will mark the twelfth anniversary of the savage attack on the people of Poland by the German armies of Adolf Hitler.

As we all know, it was this act of aggression which precipitated the terrible holocaust of World War II, from which Europe and other nations are still struggling to recover.

The first victims of the Nazi legions were the brave people of Poland, who, despite the overwhelming odds against them, fiercely resisted the invaders in a

manner that won the admiration of all the free world.

Tragically, however, the red army of Russia, our supposed ally, entered Poland from the east some 17 days after the German attack and occupied half of Poland's territory. The Soviet invasion wrecked Polish defense plans and prevented prolonged resistance against the Nazis.

Since that time, the fate of the liberty-loving Polish people has been tragic and horrible. The defeat of Germany insured the complete control of Poland by the Soviet Union. Now Poland is ruled by the iron hand of the Kremlin. Her government is operated from Moscow. Citizens who differ with the Communist line are jailed or deported.

The people of Poland cherish their freedom and independence no less than ourselves. Therefore, Mr. President, may I take this occasion to express the hope that the time is not far distant when Poland will emerge once again from the shackles of despotism which the Communist masters have thrown around her.

The United States can view with pride the accomplishments of many of its citizens of Polish origin. They are a strong and integral part of our democratic Union.

I urge the people of Poland and Polish American citizens of our own land to hold high the objectives of a free and independent Polish nation. The oppression and tyranny which Poland has borne so long will and must be ended. Let us join together in the hope that it will be soon.

UNITED NATIONS COVENANT ON CIVIL
AND POLITICAL RIGHTS

Mr. BRICKER. Mr. President, I noted in the Washington Post this morning an Associated Press dispatch from Geneva dated August 29 to the following effect:

UNITED STATES MAKES ITS POINT IN COVENANT
DEBATE

GENEVA, August 29—The United States delegation scored a triumph today in its campaign to have the United Nations write a human-rights covenant listing civil and political rights.

The UN Economic and Social Council adopted an American-backed resolution requesting the General Assembly in Paris, November 6, to reconsider its decision directing that the proposed covenant include economic, social, and cultural rights as well as those of the civil and political field.

Mr. President, a few more "victories" like the one described in this article and the Constitution will be lost.

The United Nations is obsessed by a dangerous ambition. That ambition is to define and enforce the rights and duties, both economic and political, of every human being in the world. The means for achieving this ambition may be found in some of the global treaties now being prepared by the UN and its subsidiary agencies.

Many Americans feel that the United Nations can play an important role in maintaining international peace and security in accordance with the terms of its Charter. However, no patriotic American will be able to support the United Nations if it continues to threaten

national sovereignty by claiming jurisdiction over fundamental human rights. Those who encourage the UN's treaty-making ambitions are the UN's worst enemies.

REPORT OF SUBCOMMITTEE OF THE
COMMITTEE ON FOREIGN RELATIONS,
ON ITS TRIP TO EUROPE—LETTER FROM
GENERAL OF THE ARMY DWIGHT D.
EISENHOWER

Mr. GREEN. Mr. President, the subcommittee of the Senate Foreign Relations Committee which was recently sent to Europe and was there a fortnight, was sent to ascertain whether the provisions of the pending foreign aid bill were justifiable or not. The subcommittee has made a report, of which a copy has been sent to each Senator. In that connection, I should like to read a letter which came to me this morning:

SUPREME HEADQUARTERS,
ALLIED POWERS, EUROPE,
August 27, 1951.

HON. THEODORE FRANCIS GREEN,
United States Senate,
Washington, D. C.

DEAR SENATOR GREEN: Having read the report of your subcommittee, I consider it eminently fair and judicious throughout. Moreover, its concise and profound content reflects the directness and discernment with which you and your colleagues examined the various and complex problems of European defense. I do not see how you could have conducted a more searching inquiry within such a limited period of time.

I appreciate your very kind letter on behalf of the subcommittee. Let me assure you that it was a pleasure to have you with us and a source of deep satisfaction to me and to my associates that your group could take the time for a first-hand look at our labors here.

With appreciation and warm personal regard.

Sincerely,

DWIGHT D. EISENHOWER.

I hope this commendation of our report may induce Senators who have not read it to do so.

MUTUAL SECURITY ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Mr. McFARLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Butler, Md.	Ives	Murray
Carlson	Johnston, S. C.	Neely
Clements	Knowland	Pastore
Cordon	Langer	Saltonstall
Dworshak	Lehman	Schoeppel
Ellender	Maybank	Thye
Gillette	McFarland	Underwood
Hayden	McKellar	Welker
Hendrickson	McMahon	Young

Mr. McFARLAND. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Washington [Mr. MAGNUSON] are absent by leave of the Senate.

The Senator from Texas [Mr. JOHNSON] is absent on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Indiana [Mr. JENNER], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of absent Senators.

The Chief Clerk called the names of absent Senators.

The PRESIDENT pro tempore. A quorum is not present.

Mr. McFARLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. HOLLAND, Mr. HOEY, Mr. McCLELLAN, Mr. ROBERTSON, Mr. DIRKSEN, Mrs. SMITH of Maine, Mr. WILLIAMS, Mr. LONG, Mr. AIKEN, Mr. MARTIN, Mr. FREAR, Mr. BREWSTER, Mr. KILGORE, Mr. BENNETT, Mr. NIXON, Mr. FLANDERS, Mr. BENTON, Mr. DOUGLAS, Mr. BRICKER, Mr. MILLIKIN, Mr. WATKINS, and Mr. KEM entered the Chamber and answered to their names.

Mr. BRIDGES, Mr. BUTLER of Nebraska, Mr. BYRD, Mr. CAPEHART, Mr. CASE, Mr. CHAVEZ, Mr. CONNALLY, Mr. DUFF, Mr. EASTLAND, Mr. ECTON, Mr. FULBRIGHT, Mr. GEORGE, Mr. GREEN, Mr. HENNINGS, Mr. HICKENLOOPER, Mr. HILL, Mr. HUMPHREY, Mr. HUNT, Mr. JOHNSON of Colorado, Mr. KEFAUVER, Mr. KERR, Mr. MALONE, Mr. MOODY, Mr. MORSE, Mr. MUNDT, Mr. O'CONOR, Mr. O'MAHONEY, Mr. RUSSELL, Mr. SMATHERS, Mr. SMITH of New Jersey, Mr. STENNIS, Mr. TAFT, and Mr. WILEY also entered the Chamber and answered to their names.

The PRESIDENT pro tempore. A quorum is present.

Mr. McFARLAND. Mr. President, I have been making an appeal to Senators to be present and in attendance on the Senate floor. I requested the committees to adjourn their meetings promptly so that we could have a quorum and could proceed with the business of the Senate today without losing a great deal of time. Had that been done, we could

have saved thus far 30 minutes; we could have had a quorum present at 10 minutes past 12.

Mr. President, I have made these requests for attendance and to avoid lost time on quorum calls for the benefit of every Senator, in an earnest endeavor to try to conserve the time of each Member individually and the Senate collectively. I think Senators should have been more considerate of their colleagues than to keep a part of the Senate waiting for them, on the floor. On a quorum call a Senator merely has to answer when his name is called. I hope we shall have better cooperation on the part of Members of the Senate.

So far as I personally am concerned, I am perfectly willing to have sessions on Monday and Tuesday of next week if it is necessary to expedite the business of the Senate, and if that is the desire of Senators, we shall do that. I had thought that they might prefer to recess Labor Day and the following day.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield to the Senator from Virginia.

Mr. ROBERTSON. If we sit today and for a reasonable time tonight, and are able to finish the pending bill, will it then be possible for Senators to get a few days off?

Mr. McFARLAND. I announced earlier this week that if we would dispose of the pending bill this week, we would recess on Labor Day and have only a token session on Tuesday.

Mr. ROBERTSON. Does the Senator know of any inherent reason why we could not or should not finish the aid bill today?

Mr. McFARLAND. I know of no reason. I know of no vote which is going to be changed by speeches. I think we could promptly transact the business of the Senate and dispose of the bill, if Senators wanted to do so.

Mr. ROBERTSON. There is but one major issue, so far as the Senator from Virginia knows. It is whether we shall increase the amount of aid provided by the committee or decrease it. That is the issue. By this time every Senator should know how he stands on that issue.

Mr. McFARLAND. I agree with the distinguished Senator from Virginia. The subject of foreign aid has been debated this session in the Senate more extensively than has any other one subject, and if Senators are not familiar with it now, they never will be.

Mr. ROBERTSON. Hearings were held upon it for weeks in the House, and hearings were held on it for weeks by two Senate committees, sitting jointly.

Mr. McFARLAND. That is true; and hearings were held, not only this year but last year as well. I hope the Senate will transact this business with dispatch.

Mr. ROBERTSON. I hope the Senate will respond to the plea made by the distinguished majority leader.

Mr. LANGER. Mr. President, a few days ago I was in the Middle West. Time and time again, when I talked with a businessman or a farmer or a laboring man, he could extemporaneously tell me exactly why he was opposed to certain

things which were being done by the Congress and, in some instances, by the President. I have noticed that most of the Senators who have spoken on the pending bill have had prepared speeches. I believe that I can speak as extemporaneously on this subject about as well as the average farmer or laborer or businessman in the Middle West who is seemingly quite familiar with the situation.

First of all, Mr. President, I learned, in discussing the pending bill, that it had been discussed in the newspapers, although all the details were not given. I learned that the average person had little conception of exactly what the mutual-aid program, amounting, roughly, to \$3,500,000,000, would mean to the average community. When I told them, some refused to believe it. Therefore, upon my return, I went to the Library of Congress and requested the preparation of a statement showing the exact amount of foreign aid which has been given to foreign countries, and showing also exactly what it is going to cost the people in some of the counties in our States. The statement was prepared and given to me.

I want to say—and I say it without fear of successful contradiction—that some of the Senators who are sitting here should understand that, when the people of the United States realize the terrific tax burden which it is proposed to place upon those who reside in the various cities and counties, the voters in those cities and counties, in my opinion, are going to make it awfully tough—and in my opinion they ought to make it tough—for some of the Senators, when they come up for reelection.

Mr. President, yesterday I listened to the remarks of the distinguished Senator from Connecticut [Mr. BENTON], in which he said that in Western Europe the people objected—"objected," he said—to what the Congress of the United States was doing. They did not like the way the Congress of the United States was acting. Well, Mr. President, we did not hear very many complaints of that kind a short time ago, when their emissaries came to the United States, and were around here, hat in hand, begging this same Congress for money.

Mr. President, the Democratic Party came into power in 1933. The amount of the public debt at that time was practically nil, compared to what it is today. I suggest that the Democrats, my friends on the other side of the aisle, read the Democratic platform upon which the Democratic candidates ran in 1932. They said they represented the underprivileged, the poor, and they were going to do a great deal for them. We may read one paragraph after another of the Democratic platform, and we will find that the only promise kept was to put the saloons back into business, although it was promised during the campaign that we should never again have the "brass rail."

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. CHAVEZ. As I recall, one of the promises was that bank accounts would be protected. In North Dakota, suppose

a girl who taught school had a thousand dollars in the savings bank? Was not that protected?

Mr. LANGER. Has the Senator finished his question?

Mr. CHAVEZ. Yes.

Mr. LANGER. I want to answer my friend with respect to the guaranty of bank deposits. When the bill came up for consideration, President Roosevelt wrote a letter in opposition to it. The bill was put through by the late Senator Arthur Vandenberg. It was drawn up before Herbert Hoover went out of office. As I have stated, Franklin Roosevelt wrote a letter in opposition to it. That is the record. It was put over by Republican votes, I may say to my distinguished friend from New Mexico, with the Democrats doing all they possibly could to defeat it.

Have I answered my friend on the question of the guarantee of bank deposits?

Mr. CHAVEZ. No.

Mr. LANGER. That is the record. I am sorry it does not satisfy the Senator.

Mr. CHAVEZ. Since 1930 there has not been a Republican majority in the Congress up to the Eightieth Congress. Let me tell my friend from North Dakota that I was elected on the Democratic ticket by Republican votes.

Mr. LANGER. Republicans do make mistakes sometimes.

Mr. CHAVEZ. No; the Republicans in my State know whom to trust. Let me ask the distinguished Senator from North Dakota if he can tell me what progressive laws which are now on the statute books and which were passed by a Democratic Congress he would now repeal.

Mr. LANGER. I referred to the Democratic platform of 1932. I repeat, one can get the platform and go through it from one end to the other and find not one single promise made in 1932 which was kept except the one dealing with liquor. I am not speaking now about 1936 or about 1940. I shall take them up at a later time. I am talking about the platform of 1932, when the Democrats were going to cut expenses, when they said that we had far, far too many boards, bureaus, and commissions, and that the Democrats were going to reduce them.

Mr. CHAVEZ. Mr. President, will the Senator yield further?

Mr. LANGER. I yield.

Mr. CHAVEZ. Mr. Roosevelt came into office of the 4th of March 1933. One of the 1932 campaign promises was to reduce expenses.

Mr. LANGER. Yes.

Mr. CHAVEZ. Does the Senator from North Dakota know that the salaries of Senators, Representatives, and every Government employee were cut 15 percent in that very year?

Mr. LANGER. Yes; I am fully familiar with it. But I can name Republican States in which expenses were cut more than that. They were cut 20 percent in North Dakota.

Mr. CHAVEZ. But there are 47 other States besides North Dakota. I am very proud of North Dakota, and I am very proud of the representation from North Dakota. I am glad we have such a pro-

gressive citizen as is the distinguished Senator from North Dakota; but he does not represent the Republican Party or the Democratic Party of the whole country.

Mr. LANGER. I may say to my distinguished friend that, as a matter of fact, Mr. Roosevelt did not reduce expenses. He increased them and increased them, and reduced even the little amount the soldiers of World War I were getting so that the veterans did not even have enough on which to live.

Mr. CHAVEZ. I should like to emphasize the fact that I believe in the three branches of Government, and the Senator from North Dakota knows that so far as the senior Senator from New Mexico is concerned, he does not sneeze every time someone in the executive department takes snuff. On many occasions I do not agree with individual Senators, but so far as representing the people of the country is concerned, the Democrats in the Senate have done the right thing.

Mr. LANGER. I am glad my Democratic friend thinks so. There is no harm in thinking it, anyway.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. JOHNSTON of South Carolina. I am a little bit surprised to hear the Senator from North Dakota criticizing the Democratic Party. It has many times occurred on this side of the aisle that when we needed some votes from across the aisle we could depend on the senior Senator from North Dakota; so much so that there has been a question in my mind as to just what party he belongs to. I am a little doubtful, and I think every other Senator holds the same opinion, that he votes with us as much as he votes with the Republicans. When he is right he votes with the Democrats, and when he is wrong he votes with the Republicans. Of course, I am from the deep South. That being true, I am a rock-ribbed Democrat, and always have been.

Judging from the speech the Senator from North Dakota is making, he will probably be a candidate for reelection in North Dakota. The Democrats are hoping that he will be again elected. There is very little chance of electing a Democrat in North Dakota, and we do not think the Senator can be defeated by a man who will probably be labeled as a Republican. God bless the Senator from North Dakota and let him go forward and continue to help us from his side of the aisle.

Mr. LANGER. Mr. President, I may say to my distinguished friend that he will look in vain to find one single vote ever cast by the senior Senator from North Dakota in favor of the foreign policies of President Roosevelt or President Truman. Aside from UNRRA, in connection with which we appropriated \$2,000,000,000 to feed the hungry and clothe the naked, it will not be possible to find one vote which I cast in support of the foreign policy of the Democratic Party, in all the 11 years I have been a Member of the Senate.

Mr. JOHNSTON of South Carolina. Mr. President, when it comes to the foreign policy and aid to foreign countries,

I think I have voted along with the Senator from North Dakota.

Mr. LANGER. Then the Senator voted Republican half the time.

Mr. JOHNSTON of South Carolina. The Senator talks about the whole Democratic platform and the whole Republican platform, and tells us what should be done and what should not be done. The Senator knows what a platform is for—

Mr. LANGER. I know what Republican platforms are for; I do not know about Democratic platforms.

Mr. JOHNSTON of South Carolina. It is something on which to ride into office, and have we not been successful? How many Presidents have the Republicans elected on their platforms in the past 20 years? We at least have been successful in getting into office. I can say that we have done something for the laboring people of the Nation during the past 20 years, and the Senator from North Dakota has been of great help in doing something for the farmers and for the working people.

Mr. LANGER. With reference to this "laboring people" stuff he is talking about, I may say to my distinguished friend that today the laboring people are worse off than they were in 1932 when Mr. Roosevelt was first elected President of the United States.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. Just a moment. I will prove it to the Senator from South Carolina; not, however, by what the senior Senator from North Dakota says. The Senator from South Carolina need not take my word for it at all. I will prove it by the statement put out by the Public Affairs Institute, of which there are 33 members, everyone of whom is a Democrat, and the national executive secretary of which is Dewey Anderson. What does its last report say? It says that today, after the Democrats had elected a Democrat in 1932 who said he was going to help the underprivileged and the poor, and who said in 1936 again and again and again that he was going to help the underprivileged and the poor, and who in 1940 and 1944 repeated the same words, more than 11,000,000 families in the United States have today an income of less than \$2,000 a year. The Senator knows what the dollar is worth today in comparison to what it was worth in the times when the Republicans were in charge of the Government. Then we had an honest dollar. Today a dollar is worth perhaps 39 cents.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LANGER. I am glad to yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I am very thankful to the Senator from North Dakota for bringing up the subject of what the conditions were in 1931 and 1932. I do not want to go back to those years. I am satisfied the Senator from North Dakota does not want to go back to 1932. I remember practicing law in the city of Spartanburg in 1932. Time after time in that year a man or woman would come into my office and say, "Olin, please give me 10 cents to buy a sandwich." Sometimes a man would come in

and say to me "Give me 25 or 30 cents in order that I may buy a little flour so my children may have something to eat."

Mr. LANGER. That is correct.

Mr. JOHNSTON of South Carolina. That was the condition in 1931 and in 1932.

Mr. CHAVEZ. Mr. President—

Mr. JOHNSTON of South Carolina. The Senator will have to acknowledge that when the Democratic Party took over in March 1933 something was done to change that condition. Since then the national income has been increasing. The national income in 1932, under the Republicans, was only \$35,000,000,000 a year. What is the national income at the present time? Today the national income is \$230,000,000,000. Think of that. Think of what an increase there has been in the national income since 1932. Men worked in the mills in South Carolina for \$8 a week in 1932. Today such workers are drawing \$50 and \$60 a week. That is the difference between the conditions in 1932 and the conditions in 1951. I am glad the Senator from North Dakota mentioned the conditions existing under the Republican administration at the time when the Democrats came into office.

Mr. LANGER. Mr. President, I did not interrupt the political speech of my distinguished friend because I wanted him to make it, for that is the kind of stuff we have heard in this country, and we never had a Republican, so far as I know, who knew the exact answer. But the senior Senator from North Dakota can answer each and every word of what my friend from South Carolina has said. Go back, if you will, to the days before Woodrow Wilson. Was labor ever in a better condition than in those days? Labor then received the highest wages it ever had received in this country. Was the common man ever in better shape than he was in those days? Then, unfortunately, very, very unfortunately, the Republican Party split between Theodore Roosevelt and William Howard Taft, and a Democrat was elected. What was the first thing Woodrow Wilson did after he was elected—and he did not do a very good job of that, because even William Jennings Bryan resigned as a result of what Woodrow Wilson did. Woodrow Wilson got us into World War I. That is the record of the Democratic Party.

Mr. CHAVEZ. Mr. President—

Mr. LANGER. Mr. President, I decline to yield until I answer my distinguished friend the Senator from South Carolina. Woodrow Wilson, the Senator from South Carolina was talking about a few minutes ago, got us into World War I. Yes, he got us into World War I. My friend from South Carolina will be interested to know what that cost this Government in addition to the hundreds of thousands of casualties in that war. In the succeeding years Democratic Senators rose one after another in the Senate and said we had no business being in that war. William Jennings Bryan, a Democrat, resigned his office as Secretary of State because he said we had no business in that war. He was a different kind of man from the

Secretary of State we now have in office. William Jennings Bryan, the man who had been the Democratic Party's standard bearer three times as candidate on the Democratic ticket for President of the United States, resigned his position as Secretary of State because Woodrow Wilson was getting us into that war. I am only quoting what Democratic Senators said on the Senate floor—"We had no business in World War I."

Now let us see what has happened since the Democrats got into power. Let us see what has occurred since 1932. What has become of the money the Democrats have given foreign countries? And now the Democrats want to give foreign countries eight and one-half billion dollars more.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LANGER. I decline to yield, Mr. President. I am answering the Senator from South Carolina.

Mr. CHAVEZ. Will the Senator be so kind as to yield—

Mr. LANGER. I decline, because I am answering my distinguished friend from South Carolina.

The Democrats came into office with a Treasury which was in fine shape. When the Democrats came into office this was a country of happy people. Woodrow Wilson came into office, and while in office he did such a horrible job that when Republican Presidents succeeded him, they said, "We know that a depression is coming. We know that Woodrow Wilson has wrecked this country. We are going to do what we can to save it."

The conditions the Senator from South Carolina spoke about in his State of South Carolina were due first, last, and all the time, as the records bear out by any reliable economist, to the fact that Woodrow Wilson, a Democratic President, plunged this country unnecessarily into war.

Mr. CHAVEZ. Mr. President—

Mr. LANGER. Mr. President, I decline to yield until I get through answering my friend from South Carolina. We only reaped what the Democratic President Woodrow Wilson had sown. That can be found by looking up the record as set forth in the reports by the Brookings Institution and by other institutes. From those reports it will be found that the depression was due to what Woodrow Wilson did while in office as a Democratic President.

Mr. President, now we find that the same pattern that was set up after World War I is being followed. After World War I the royal house of England came to the United States and was royally entertained. If we pick up the newspaper now we find that in a few days the royal house of England is coming over again. I expect to hear that my distinguished friend from South Carolina, wearing a silk hat, and all the other appurtenances, will go to the garden party in honor of the royal house of England.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LANGER. I have not yet answered the Senator from South Carolina.

I decline to yield until I have answered him.

Mr. JOHNSTON of South Carolina. Will the Senator yield to me immediately thereafter?

Mr. LANGER. When I finish, I will gladly yield to the Senator.

Mr. JOHNSTON of South Carolina. I should like to explain some things about Woodrow Wilson—and Hoover, too.

Mr. LANGER. Williams Gibbs McAdoo was the son-in-law of President Wilson, a man who during World War I had more dictatorial powers than any other man had ever had before in all the history of America. He ran the Treasury. He ran the banks. He ran the railroads. Wherever one turned, he saw the name William Gibbs McAdoo.

What did he do after the war? Just what the very bill which we are considering today would do. He gave out billions of dollars. Of course, the borrowers were going to pay it back—you bet. England was going to pay it back, and all the other countries were going to pay it back. When they got through, the only country which paid back even the interest was little Finland.

Then when Franklin Delano Roosevelt came into office, what did he do? He canceled all the debts—not the war debts; I am not talking about assisting the other countries during war times—and he gave billions of dollars away after the war was over.

What have the Democrats done since? How much have we given these countries, I ask my distinguished friend from South Carolina?

We have given Austria \$895,119,000. We have given Armenia \$39,942,000. We have given Belgium and Luxemburg \$1,744,000,000.

I wonder if Senators realize how much a billion dollars is. It just about represents the value of every acre of land in South Carolina and every bit of city property on the assessment rolls of South Carolina. Perhaps it is a little more than that. I say to my distinguished friend from South Carolina that the Democrats gave all that money to Belgium and Luxemburg.

How much did we give the British Empire?

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. Wait a minute. We gave the British Empire, since World War I, in loans and gifts, \$44,079,000,000. That is a great deal of money.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. We gave China \$3,446,000,000. I wish I knew exactly what the assessed valuation of property in South Carolina is. I know that there are 13 States in the Union which, up to a short time ago, had an assessed valuation of less than \$1,000,000,000 each. So we gave away to Great Britain \$44,679,000,000. We gave Great Britain 44 times the value of every acre of land, every horse, every cow, and every sheep, as well as all the bank deposits, in any one of 13 States. But the distinguished Senator from Connecticut rose a couple of days ago and

stated that England did not like the way Congress was acting.

How much did we give to Czechoslovakia? We made her nice and fat, and then the Russians took her over.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LANGER. I decline to yield until I answer the Senator's question.

The PRESIDING OFFICER. The Senator from North Dakota declines to yield.

Mr. JOHNSTON of South Carolina. I should like to make a statement. The Senator from North Dakota is not answering my question.

Mr. LANGER. We gave Czechoslovakia \$17,348,000. We gave Denmark \$234,792,000. Perhaps the distinguished Senator from South Carolina would like to write these figures down, so that he will not forget them.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. We gave Egypt \$59,700,000. We gave Estonia \$25,903,079. We gave Ethiopia—

Mr. JOHNSTON of South Carolina. Mr. President, may I ask the Senator from what he is reading?

Mr. LANGER. Of course, my distinguished friend would not know what I am reading from, but I am reading from the RECORD.

Mr. JOHNSTON of South Carolina. The CONGRESSIONAL RECORD?

Mr. LANGER. I am reading from the CONGRESSIONAL RECORD. This is a statement which was prepared by Representative VAN ZANDT, the head of the Disabled War Veterans of America. He prepared this statement. The veterans who lost their arms and legs are now asked to pay all this debt, in addition to fighting for their country.

Mr. JOHNSTON of South Carolina. Mr. President, I rise to a point of personal privilege.

Mr. LANGER. I am reading from the CONGRESSIONAL RECORD. In order that my friend have the page, I am reading from page 7112 of the CONGRESSIONAL RECORD for June 1, 1949.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. I want my friend to have the page number. It is page 7112.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. Let me finish. I want to answer my distinguished friend.

Mr. JOHNSTON of South Carolina. Mr. President, I rise to a point of personal privilege.

Mr. LANGER. I want to answer my friend, who asked a question. I am answering it. He wanted to know what the Democrats had done since 1933, and I am telling him what they did.

They gave to Ethiopia \$16,447,000. They gave to France and her possessions \$13,371,000,000. They gave to Finland \$24,600,056. They gave to Greece \$681,000,000. They gave to Hungary \$64,000,000, and got Hungary nice and fat so that the Russians could take it over.

They gave to Iceland \$20,000,000. They gave to Israel \$62,000,000. In this bill we are giving them \$40,000,000 more. They gave to Italy \$4,700,000,000.

They gave to Iran \$23,100,000. They gave to Iraq \$7,805,000.

I am sure that my distinguished friend, when he pays his income taxes, will be delighted to know that all these people were taken care of. We are going to give them eight and one-half billion more.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LANGER. I am answering my distinguished friend.

The Democrats gave to Ireland \$142,763,000. Mind you, Ireland was never in the war. She did not lose a single Irishman, but our country had to help the Irish, too. The Democrats gave to Ireland \$142,763,000.

They gave to Japan \$1,891,000,000. They gave to Korea \$89,469,000. These are the figures only up to June 1, 1949. We have given a great deal more since. I will have those figures for the distinguished Senator from South Carolina in just a moment.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. They gave to Korea \$89,469,000. They gave to Latvia \$10,713,000. They gave to Liberia \$14,829,000. They gave to the Netherlands and her possessions \$979,000,000. The Queen of the Netherlands owns a great hotel in the city of Washington, with some 5,000 rooms. Perhaps my distinguished friend is paying rent there. I do not know whether he is or not. Up until a few days ago, at least, that hotel was owned by the Queen of the Netherlands. They gave the Netherlands \$979,000,000. They gave Norway \$345,000,000. They gave the Philippine Islands \$708,000,000. They gave to Poland—oh, they fixed up Poland in great shape so that Russia could make a good satellite out of it—\$873,600,000. Portugal was not even in the war, but they gave Portugal \$11,647,000. Rumania is one of the satellite countries. It got \$79,435,000. Russia got \$12,793,400,000. Russia was recognized by the Democrats, after the Republicans would not recognize that country. Herbert Hoover refused week after week, month after month, and year after year. The Democrats promptly recognized Russia. Before they got through they had given Russia \$12,793,400,000. I do not suppose it included the four or five hundred ships we gave to Russia, which we have been trying to get back ever since the war has ended.

Then there is a country called Saudi Arabia. Perhaps my distinguished friend from South Carolina does not exactly know where Saudi Arabia is. I assure him there is such a country, because we gave Saudi Arabia \$46,200,000. Sweden was not in the war with us, but we gave Sweden \$104,100,000. Trieste got \$35,200,000. Turkey did not lose a single man in the war, but the Democrats gave Turkey \$305,400,000.

A few moments ago my distinguished friend from New Mexico [Mr. CHAVEZ] said that the Democrats had been in control of every Congress except the Eightieth. During the Eightieth Congress we had a Democratic President. Therefore, the Democrats are entitled to all the credit. I certainly do not wish to take any credit from them.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. I am trying to answer my distinguished friend from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I do not believe the Senator from North Dakota is answering me. I believe he realizes how I voted on the questions he has mentioned.

Mr. LANGER. I am answering my distinguished friend.

Mr. JOHNSTON of South Carolina. The Senator from North Dakota is not answering me.

Mr. LANGER. The Senator from South Carolina wanted to know what the Democrats did, and I am telling him. I am reading from the RECORD. We are all interested in the RECORD.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. I decline to yield. Then there is a country called Yugoslavia. A person picking up a newspaper now and reading about our giving some money to Yugoslavia would be led to believe that this was the first time we have given any money to Yugoslavia. What is the Democratic record on Yugoslavia? At the very time when the Communists were taking control and were throwing out all people who were sympathetic to the United States, they received the sum of \$117,200,000.

Then the Democrats looked around for some more countries to whom to give money. They found that they had missed the South American countries. So they took care of South America. They gave South American countries \$1,651,392,000.

That makes a grand total, up to June 1, 1949 of \$92,169,478,135. Does anyone now want to know where our national debt comes from under the Democratic administration? That is the amount of money they gave away. It does not begin to include the money that they gave away since that time. They have certainly given away a great deal more since then.

Mr. President, we are naturally interested in knowing exactly how this affected the people of this country. If I had known that my distinguished friend from South Carolina was going to interrogate me I would have had figures for his State.

However, I am interested in North Dakota. I know the people of North Dakota and they know me. They have confidence in me. They know that I keep them advised as to what is going on in this Senate. Many months ago I went to the Library of Congress and had prepared a table showing exactly what has been given away in the give-away program of the Democrats, and how the give-away has affected the people of North Dakota.

We have in North Dakota a small county called Adams County.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LANGER. I am answering my friend the distinguished Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I am trying to help the distinguished

Senator from North Dakota in his campaign.

Mr. LANGER. Thank you so much. I appreciate your help. We have a county in North Dakota known as Adams County. There are only 4,094 people in the county of Adams, so there are, roughly, only a thousand families in the whole county. Does the Senator know what their share of the money sent to these countries was up to June 1, 1949? It was \$1,455,821.

I had the same calculations made of the new give-away program, which the Democrats have conjured up to give away \$3,500,000,000 more. Do Senators know how much it will cost the people of Adams County, N. Dak.? It will cost them \$1,817,545 more.

My distinguished friend from South Carolina has a pretty good record. I think a fine record on most of the foreign-policy votes. He has not gone along in voting with the Democrats on the give-away program. When we were voting to give \$3,750,000,000 to England, it was called a loan, whereas everyone knew that it would never be paid back. I offered some amendments to the bill, and, as I recall, my distinguished friend from South Carolina supported the amendments. Only 11 Senators supported me. Instead of giving the \$3,750,000,000 to England, I moved that we give every veteran of World War II a \$10,000 home free of charge, as a gift. It would not have cost as much as the money we gave to Great Britain in that one Democratic year.

Mr. President, I got exactly 11 votes. After that amendment was defeated I offered another amendment, to use some of this money in doubling the salaries of school teachers and some of it to build school houses. We got only 11 votes for that amendment. I believe my distinguished friend from South Carolina voted in favor of the amendment.

When that amendment was defeated I offered another amendment, to use the money to have urinalysis tests made of every man, woman, and child in the country, so that we could find out the condition of the health of our people, the tests to be made by the family doctor. As I said on that occasion, one little test would cost only 2 or 3 cents, and it would not even take a nurse to make the test. Such a little test would show the existence or nonexistence of three diseases. By spending \$2.50 on each test we could detect the presence or absence of 22 diseases, according to the Rockefeller Foundation. Apparently one Senator who had voted with us on the first amendment thought the second was a foolish proposal. We got only 10 votes for that amendment.

Then I offered another amendment, to build three four-lane highways north and south, and three four-lane highways east and west, and also to use some of the money to build farm-to-market roads. Apparently the Senator who would not vote with us on the urinalysis tests changed his mind, and we had 11 Senators again who voted for that amendment.

So we gave \$3,750,000,000 to Great Britain.

A day or so ago we heard the distinguished Senator from Connecticut read an article from the New York Times, an Associated Press dispatch to the effect that the people of England, or the people of the west, as they are called, did not like the way the Congress of the United States was acting.

As I said a moment ago, I am sure my distinguished friend, the Senator from South Carolina [Mr. JOHNSTON], will be interested to know the amount of money that the counties and cities in North Dakota, as well as those in South Carolina, would have to pay for foreign aid. I have been in South Carolina, and in that State there are many cities of 5,000 people. Does the Senator know how much a city in South Carolina with a population of 5,000 persons now has to pay for the foreign aid we already have provided, entirely aside from that provided in the pending bill? They have to pay \$1,840,033. That amount of money must be paid by a little city of 5,000 persons, and that amount of money does not include the interest.

Does the Senator know how much they will have to pay if the pending bill is enacted into law? They will have to pay more than twice as much.

I obtained this information yesterday from the Library of Congress. I say to my distinguished friend, the Senator from South Carolina, let us consider, for example, a county such as Eddy County, N. Dak., with a population of 5,361, or roughly 5,000 persons. Under the so-called Marshall plan and loans and gifts, without the amount provided by the pending bill, their share of that debt was \$1,511,909. If the pending bill is enacted into law, they will have to pay an additional amount of \$1,992,201, making a total of approximately \$3,400,000—all to be paid by a little county of 5,000 persons.

Mr. President, I would not vote for this bill. The advocates of the bill tell us, "If you do not vote for the bill, the country may be bombed." They spread the doctrine of fear, trying to scare everyone. Mr. President, it is the same as if I went to the distinguished Senator from South Carolina and said to him, "If you do not give me all that you have, so that we can get a cure for cancer, you are going to die of cancer." Or, if I were soliciting funds for tuberculosis, it is the same as if I went to the Senator from South Carolina and said to him, "If you do not give me all that you have, so that we can find a cure for tuberculosis, you are going to die of tuberculosis."

Is it not strange that after World War II ended, at the time when we were the strongest country on the face of the earth, one Democratic Senator after another rose on the floor of the Senate and said, "We are first in sea power, first in manpower, and by far the strongest in the air," and then they decided to have a conference in San Francisco, just as so many Senators now are going to attend another conference in San Francisco next week.

So they were going to have a conference in San Francisco. Mind you, Mr. President, that conference was said to

be a conference to end all war. All that our boys fought for in World War II was to have been provided for in the charter framed at San Francisco. I thought that when our boys went to that war they went to it to fight for the Atlantic Charter. Whom did the President send to San Francisco, Mr. President? He did not send one veteran who had lost an arm or a leg in that war. Among all the delegates there, only one had served at all in the war, and that was Mr. Stassen, who had served as an aide to an admiral in the Navy.

When that conference was concluded, what was the result? There was brought to us here a document called the United Nations Charter. England and some of the other foreign countries had the best organized propaganda machine which ever existed in all history. One of the daily newspapers in this very city stated that it would dedicate itself to the defeat of any Senator who voted against the United Nations Charter. That did not bother the Senator from North Dakota, Mr. President; I voted against the United Nations Charter, anyway, because it was no good.

So we got the United Nations, and today we find great activity in chasing Communists.

Mr. President, what did we find only a few months ago? The greatest Communist of them all, Jacob Malik, went to New York to the UN and as Russia's spokesman talked for days on the television, where he could talk to 20,000,000 people at one time, and he told the people of the United States about all the "glories" of communism. So I say that the men who voted for the United Nations Charter set up the greatest propaganda machine for Russia which they could possibly have set up, because in speaking from the United Nations, as he has done, Jacob Malik is immune to prosecution for the things he says. He can say anything on the radio or the television there and can talk to 20,000,000 of the people of this country at one time, while the United States pays 78 percent of all the costs of setting up that propaganda machine for Russia in the UN. None of the delegates there and no part of the force they have there can even be arrested. In fact, they get their automobile licenses free of charge, while the veteran who fought for his country in World War II has to pay for his automobile license.

Now there is another arrangement by which the delegates to the United Nations have their mail handled for nothing, whereas any American citizen has to pay 3 cents to send a letter in the United States.

Mr. President, may I have order?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). The Senate will be in order.

Mr. LANGER. Mr. President, those of us who do not like communism—and I think that is true of every Senator on this floor—should do more about it.

Mr. President, I have before me the full record of what the pending bill, if enacted into law, will cost the three States of North Dakota, South Dakota, and Minnesota. I think I shall frank

this information to those three States, together with the record showing what Senators voted for all of these gifts and loans and grants, because certainly the people are entitled to know who voted for giving away all this money.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LANGER. Mr. President, I decline to yield, because I am still answering my friend, the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Chair has before him a veto by the President of Senate bill 827, a bill for the relief of Fred P. Hines, in the amount of \$778.78. The Chair thought he would call it to the attention of the Senator from North Dakota, because the Chair believes it is a bill of the Senator from North Dakota.

Mr. LANGER. I may say to my distinguished friend from South Carolina, that is a bill which I introduced. It is for \$778 and how many cents?

The PRESIDING OFFICER. Seven hundred and seventy-eight dollars and seventy-eight cents.

Mr. LANGER. In that case the record is—I might as well talk about that as anything else, temporarily—

Mr. DOUGLAS. Mr. President—

Mr. LANGER. I decline to yield at this time. I am still answering my distinguished friend from South Carolina. The bill called for \$778.78, to be paid to a veteran, a man who fought in World War I. He wrote me. He finally went to the Veterans' Hospital, where he was told, "We can do nothing for you. You have cancer. You are soon going to die." He went to the Veterans' Hospital a second time, and he was told, "We can do nothing for you. You have cancer, and you are soon going to die." He finally went to another doctor. That was 20 years ago. He is not dead yet. So he had no cancer. Today, he is 80 years old, and destitute. He is ill and is in a hospital at Minot, N. Dak.

Mr. DOUGLAS. Mr. President, is the Senator from North Dakota filibustering, by any chance?

Mr. LANGER. I decline to yield. I am answering the distinguished Senator from South Carolina.

The result is that some of the veterans in North Dakota wanted to have a bill introduced. They felt it no more than right that this man, Fred P. Hines, who, they said, had suffered a disability, should at least have his hospital expenses paid, in the sum of \$778.78. In the meantime, he had been discharged from the hospital. By a unanimous vote, the Senate Judiciary Committee reported the bill and, by unanimous vote, it was passed by the Senate and, I believe by unanimous vote, it passed the House of Representatives. The President vetoes it. I suppose he must start saving money, if we are to give away \$8,500,000,000. If we do that, it is necessary to start some place, so the start is made in the case of Mr. Hines, veteran of World War I, in order to save \$778.78. Mr. President, it makes a start.

The Government is collecting from farmers in the Middle West, including the States of Illinois, Louisiana, and New

Mexico. Government agencies are collecting from the farmers the payment of seed loans. During World War I it was said, "We do not have enough wheat, we do not have enough oats, we do not have enough barley, and we do not have flax." In the State of Montana, represented by my distinguished friend, the senior Senator from that State, who now sits before me, thousands and thousands of acres were broken up and seeded in flax because, during World War I, our supplies of flax were shut off. The farmers did not want their land broken up. The scientists said the land would become dust, and would be blown away. But the land was broken up.

Immediately after the war, what happened across the line in Canada? The Canadian Government canceled every seed and feed loan. Within a year after the war had ended each of the loans was canceled. They said, "These people rendered patriotic service during the war." The drought came in our country, and it continued for 8 or 9 or 10 years. All the feed and seed loans made by our farmers draw 6-percent interest. I am sure my distinguished friend from Montana will bear me out. I am satisfied his mail is similar to mine. Every week I receive scores of letters from farmers, telling me that the United States Government is trying to collect the seed and feed loans, loans which draw 6-percent interest; and the amounts now claimed in connection with those loans are in some instances twice as much as the original amounts which were borrowed.

Between North Dakota and Canada and extending across the border we have what is called a Peace Garden. Every year meetings are held in that Peace Garden. The Governors from Saskatchewan and Alberta come down to meet with the Governor of North Dakota. During the time I was Governor, I met with them. There the farmers of Canada meet the farmers of North Dakota. The farmer from Canada would say, "I had my seed loan and my feed loan canceled." The farmer from North Dakota would have to say, "Our Government has not canceled any of the loans. My loans are still drawing interest."

Mr. President, today when a North Dakota farmer dies, leaving \$3,000, \$4,000, or \$5,000, the United States Government takes every single penny, if the debt owing the Government is that much, leaving not one penny for the widow. If anyone doubts that, I can show him scores of letters in my office containing complaints which I have made to the Farm Credit Administration. But that did not deter the Senate when the \$3,750,000,000 British loan bill was under consideration.

If an American soldier returned home, how much did he owe? What was his share of the public debt? It was a trifle over \$5,000. How much did the veteran who returned home in Great Britain owe? He owed \$1,339. The American veterans owed more than three times as much as did the veteran in Great Britain. That did not deter the Senate. With but a few of us voting against it,

the Senate passed a bill making a gift to Great Britain of \$3,750,000,000.

Let us discuss the record further. Let us consult the record of the Democratic Party, and its position regarding our foreign policy. So far as the domestic policy is concerned, there have been a great many things done under it, for which I voted, as my distinguished friend from South Carolina said.

It will be remembered that we have the atomic bomb, and that America first had it alone. If anything was precious, if there was any weapon in the world which should have been safeguarded, it was the atomic bomb. When Winston Churchill came to the United States from England, he made a speech at the Massachusetts Institute of Technology, in which he said there would have been a war a long time ago had it not been for the fact that the United States Government had the atomic bomb.

So, Mr. President, the Democratic Party was charged with keeping the secrets of the atomic bomb inviolate. We spent many millions of dollars in order to protect this country from spies. But we find that a group of spies from Great Britain went to New Mexico and got the very top secrets. Then those secrets were given to Russia. That is the kind of care our public officials took of the atomic bomb. The President says they are today being manufactured in Russia, and they are also manufactured in England. So, if there is a war, and some of our boys are killed by atomic bombs, we must blame those in this administration whom we trusted for doing such a miserable job that the lives of our boys will not be protected.

It is strange, Mr. President, to read the farewell message of George Washington and then realize what has happened to this Government of ours. George Washington wrote that message only approximately 175 years ago—which is only a minute in the life of a nation—warning the people of this country against foreign entanglements and foreign alliances.

I will say this about William Jennings Bryan, Mr. President, that when he was Secretary of State he concluded 52 treaties with other nations. Fifty-two countries made treaties with the Government of the United States. Bryan was following the advice of George Washington.

I wonder, Mr. President, if there is such a thing as the spirit of a man existing after he dies, whether the spirit of Andrew Carnegie is still alive and around us. Andrew Carnegie said he was dedicating his millions of dollars to make the United States again a colony of Great Britain. His biography was taken out of every public library in the United States. I could not even get a copy of it in the Congressional Library. The book has been rewritten, but, fortunately, I was able to get hold of a copy of the original through a friend of mine in New York. Some years ago I put it into the CONGRESSIONAL RECORD. Andrew Carnegie made his millions in the United States and did not even become a citizen of this country, and then dedicated his millions to making the United States a colony of Great Britain. Sometimes, as

I look around, I wonder what is taking place in this country, and whether Mr. Carnegie's servants are not doing a pretty good job.

Again referring to what George Washington said when he left the office of President, let me read a few words from his message:

Observe good faith and justice toward all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence.

He wanted this Nation to be an example to all other nations.

Who can doubt that, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings toward all should be cultivated. The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests.

Mr. President, Washington's message is so apropos that I ask unanimous consent that this portion of the Farewell Address be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens who devote themselves to the favorite nation,

facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils. Such an attachment of a small or weak, toward a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence (I conjure you to believe me, fellow citizens), the jealousy of a free people ought to be constantly awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

Mr. LANGER. I particularly invite attention to a few lines which I shall now read:

Against the insidious wiles of foreign influence (I conjure you to believe me, fellow citizens), the jealousy of a free people ought to be constantly awake; since history and experience prove that foreign influence is one of the most baneful foes of republican government.

Apparently Washington's advice has not been followed, certainly not since 1932.

Mr. President, instead of giving \$3,500,000,000 to foreign countries, why do we not use that sum of money to clean up slums—not slums three or five or six or seven or eight thousand miles away from home, but slums within two blocks of the Capitol of the United States? I can show Senators places within two blocks of the Capitol where there are no electric lights, where the occupants do not even have kerosene lamps, where they are still using an old black vessel with a wick and tallow in it. Can it be said that 7 percent of the people are going to take care of the other 93 percent? The Democrats are giving away \$3,500,000,000 to foreign countries, when we have in this country 11,000,000 families who are trying to exist on less than \$2,000 a year.

As I have sat in the Senate for the last 11 years and watched one foreign-aid bill after another adopted, my mind has gone back to the radio address heard by nearly all the American people, made before we got into World War II, by Winston Churchill, who, in his beautiful, melodious voice, said in the middle of the afternoon of one day, "Give us guns. Give us weapons. We do not want your men. We have enough men to win this war. All we want of America is just guns and weapons."

A few weeks later the distinguished senior Senator from Texas rose on the floor of the Senate and offered the Connally resolution, under which we had to have wars on two fronts. I have always been proud of the fact that I voted against that resolution.

Then came the fateful June day when we invaded the Continent. Out of the 116,000 allied casualties, 83,000 were American boys.

Mr. President, I remember that a candidate for the office of Senator in one of my neighboring States said over the radio, "Oh, if I had been in the Senate I never, never, never would have voted for the British loan." He was elected. He came to the Senate and he has since voted for every single bit of foreign aid that has been granted by the Senate.

Mr. President, many of those who run for office, before they are elected, say what they are going to do for the farmer when they get into office, but as soon as they are elected they proceed to forget all about the farmer. I have been proud of the fact that the junior Senator from North Dakota [Mr. Young] and I have kept our pledges to the farmers of our State and the pledges we made to farmers in surrounding States.

After all these years of Democratic rule, during which we have had involvement in the affairs of other countries all over the world, what do we now find? We find ourselves in an undeclared war in Korea. Hardly anyone on the United Nations side is dying in Korea except American boys. One of the nations that joined with us, Bolivia, has sent 30 engineers to Korea.

Sometimes I wonder how men who have been elected to the Senate, and who have disregarded the advice of Washington, who have disregarded the advice of William Jennings Bryan, the man who resigned his office as Secretary of State rather than sanction our involvement in a war with Germany—I wonder how such men feel when they are alone at night with their consciences, when they envision our boys going to their deaths.

How happy the Communists were at the end of World War II. The Democratic administration took Communists, some of whom had worked on the Daily Worker, and who had changed their names, and put them on the payroll of our Government, and sent them over to Germany to conduct the denazification trials. I am not talking about the first denazification trial when Goebbels and Goering and the rest of those fellows were tried. I am talking about the trials, in American courts, of 3,000,000 Germans.

I decline to follow the leadership in foreign affairs of a party that is so dumb as to let the Russians completely surround Berlin and Vienna and Prague, and not even keep a road open so that we, the Americans, who conquered those places, can go into those cities. The dumbest farmer in any State of the Union, the dumbest businessman, the dumbest laboring man, who buys 40 acres out of a section of land, 640 acres, first of all reserves the right to go in and out of his 40-acre farm. But this great leadership we had was too dumb even

to keep a road open into Berlin, into Vienna, or into Prague. So today, if an American citizen wants to go to Berlin he has to bow down to the Russians, and say, "Please, please, please give me a permit so that I can visit Berlin."

At these denazification trials what did Russia do? Russia started them, and at the end of 3 weeks Russia stopped them. She said, "We do not want any denazification trials." The Americans said to every engineer, to every scientist, "You have got to be denazified. Otherwise, you cannot work." A professor could not obtain a job.

What did Russia do? She took all the scientists who had been building the German weapons of war, and invited them to Russia—52,000 of them. They built the submarines which we may have to fight some day. They finished all the weapons which Hitler was building, so that some day they may be used to take the lives of our boys. The United States continued to say, "We must denazify them."

Mr. CASE. Mr. President, will the Senator yield?

Mr. LANGER. I am answering the Senator from South Carolina [Mr. JOHNSTON].

Mr. CASE. I do not wish to interrupt the Senator's answer. However, it is my understanding that Russia had a simple way of handling denazification. She would suggest taking out a card in the Communist Party, saying, "Just take out a card in the Communist Party, and you are denazified and cleared."

Mr. LANGER. Let me say to my distinguished friend that I investigated that very allegation when I was in Germany last year. I found that that was not true. I found that one had to join various fronts. If he did not join the youth movement, he could not obtain an education in Germany under Hitler's rule. Later he had to join the labor front so that he could get a job.

Mr. CASE. I do not dispute that. I think possibly the Senator did not catch the first of what I said. I said that my understanding was that Russia had a very simple way of denazifying people in the Eastern Zone. She said to them, "If you want to be cleared, simply take out a card in the Communist Party, and you will be all right with us." In that way Russia was able to stop the denazification proceedings.

Mr. LANGER. The Senator is correct.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. LANGER. I am glad to yield to the Senator from Oregon.

Mr. MORSE. Am I correct in my understanding that the Senator from North Dakota stated that the Russians had invited scientists to come to Russia?

Mr. LANGER. Yes.

Mr. MORSE. Did the Senator discover that when he was in Germany last summer?

Mr. LANGER. I knew it before, and it was corroborated when I was over there. About 52,000 of them went to Russia.

Mr. MORSE. Then the Senator does not share in the point of view that they were not invited into Russia, but taken into Russia?

Mr. LANGER. I do not share in that view at all. As a matter of fact, 12 of those scientists are now in California. They were brought over here by our Government. I discussed the subject with them. They did not want to go to Russia. They were put into a concentration camp, and they said that their colleagues were promptly put on the payroll in Russia.

Mr. MORSE. Does the Senator think, then, that the German scientists are working voluntarily in Russia and are doing what they are doing because of their own desire to do it?

Mr. LANGER. My judgment is that some of them are and some of them are not.

Mr. MORSE. I wonder if the Senator will yield for a further question?

Mr. LANGER. Yes; I am delighted to yield.

Mr. MORSE. I notice the Senator's great interest in veterans, in which interest I share. I wonder if the Senator might be interested in taking up this afternoon House bill 3193, or rather the President's veto of that bill, which I understand is a privileged matter. All the Senator has to do is to move that it be taken up because it is a privileged matter. The Senator would be in order.

Mr. LANGER. I am very glad to yield for that purpose if the Senator will make the motion.

Mr. MORSE. Mr. President, I move that the Senate proceed with the immediate consideration of the President's veto message on House bill 3193, which is the so-called veterans' pension bill.

It seems to me that we ought to proceed at once to dispose of it. I am advised—I think correctly—by the Parliamentarian that such a motion is in order. It is a privileged matter and I think we should dispose of the bill in a few short minutes.

The PRESIDING OFFICER. Does the Senator from North Dakota yield for that purpose?

Mr. LANGER. I yield for that purpose if I do not lose the floor.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent that he may yield for the purpose of taking up a privileged matter, without losing his right to the floor. Is there objection?

Mr. HILL. Mr. President, reserving the right to object, may I ask what is the privileged matter?

Mr. MORSE. The privileged matter is the President's veto message on House bill 3193, which is the bill for veterans' pensions which the President of the United States vetoed some time ago. I think it is a bill which ought to be disposed of immediately. I think it has

been too long delayed already. The junior Senator from Oregon would like to be heard at some length on the bill, because I think the President's veto message is unsound from beginning to end. In particular, I think the comment of the President in his veto message to the effect that the bill discriminates against nonveterans overlooks the fact that the pension to veterans covered by the bill has been granted for some time. If there was any discrimination, the discrimination was created when the pension was first granted. The real issue before the Senate now is whether or not, in the light of present day costs and prices, the pension to those helpless veterans covered by the bill which the Congress approved several years ago is of an adequate amount to take care of those helpless veterans now.

Let me say to my good friend from Alabama that I think the President of the United States overlooks another matter. The argument in the veto message that we should not grant these helpless veterans this increase in pension simply because their disability is the result of non-service-connected disability overlooks a great moral obligation which I think we, the people, owe to all helpless people in this country. We never make a right by extending a further wrong. I think it is a national disgrace that we are not doing a better job than we are doing in taking care of helpless people in this country, both veterans and nonveterans. With this opportunity to take care of helpless veterans, I think there is a clear moral obligation on the Senate to follow the example set by the House, and proceed to override the President's veto this afternoon. I hope the day will come in America and the sooner the better when all helpless people receive a decent pension which will help lighten somewhat the burdens and pains of their existence. I refuse to accept the notion that our great economy cannot provide adequate pension aid to the blind and helplessly crippled who require the constant care of someone to help them get around. Let us never forget that our greatest national wealth is our fellow citizens. Let us never forget that the spiritual teaching that we are our brother's keeper is a tenet of our democratic society as well as of our religious faith.

Let me say further that I think that the attention of the people ought to be called to the fact that we are dealing in this bill with helpless veterans who are beneficiaries under this bill only in case their disability is so great that they need someone to take care of them because they cannot take care of themselves. If they are single, their income per year must not be more than a thousand dollars, including in the calculation social-security benefits. If they are married their total income must be not more than \$2,500 a year.

I wish to say to the Senate this afternoon that when we adopted this pension in the first place we laid down at that time the principle for these pensions.

Where was the voice of the President then? Why did he not veto the bill when it was first passed? Now, because we seek to enlarge the pension, we are faced with this unsupportable veto.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. LANGER] has the floor. He has asked unanimous consent that he be permitted to yield to the Senator from Oregon for the purpose of presenting a privileged motion, without losing his right to the floor.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama [Mr. HILL], under reservation of objection, has been recognized.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. To keep the RECORD straight, I should like to have the Chair review the situation with me.

The junior Senator from Oregon asked the Senator from North Dakota to yield to him for the purpose of making a motion, which request was granted. Then the Senator from Oregon made his motion. Then the colloquy started, and it was at that time that the Senator from North Dakota, as the RECORD will show—and I ask the reporter to read back the RECORD if the Chair questions it—for the first time after the Senator from Oregon had obtained the floor for this purpose, raised a subsequent point in regard to his right to hold the floor.

The PRESIDING OFFICER. The present occupant of the chair will be glad to have the RECORD read. It is the understanding of the present occupant of the chair that when the request was made of the Senator from North Dakota the Senator from North Dakota said that he would yield provided he did not lose his right to the floor, following which the occupant of the chair put the unanimous-consent request.

Mr. MORSE. I say most respectfully to the Chair that if he will have the RECORD read he will find that he is in error. I request that the RECORD be read.

Mr. McFARLAND. Mr. President, reserving the right to object, I hope that the Senator from Oregon will not push this matter at this time.

Calling up the veto message is a privilege which is accorded the chairman of the committee which handled the bill on which the veto was made. I am told that the distinguished Senator from Georgia [Mr. GEORGE] intends to bring this matter up. However, he is now holding hearings in his committee on the tax bill. There is no disposition to keep the veto message from being brought before the Senate, but we are trying to dispose of an important bill right now. I think it is a courtesy to the chairman of the committee to wait until he is ready to bring up the veto message. I am told that he intends to do so within a reasonable time.

There is no disposition, if the chairman does not bring it up, to keep any

other Senator from doing so. We are trying to expedite the work of the Senate. We are trying to dispose of the pending bill. Some Senators are leaving for San Francisco. I hope the Senator from Oregon will not insist on pressing his motion.

Mr. MORSE. Mr. President, I wish to say two things to my good friend the Senator from Arizona [Mr. McFARLAND]. In the first place, I have no desire to impede the progress of the pending bill. I am perfectly willing, however, to take judicial notice, having been on the Senate since noon, that there is no possibility of taking any action on the pending bill this afternoon. Therefore, we ought to take care of the veterans, instead of, it seems to me, going through maneuvers in the Senate this afternoon which are not going to hasten any vote on the pending bill. We could dispose of the veterans' legislation while conferences are being held as to what the strategy is to be of various forces in the Senate with regard to the pending bill.

In the second place, let me assure the Senator from Arizona that I am not disrespectful to the chairman of the committee or to any other Member of the Senate. However, I respectfully submit that action on this veterans' legislation has already been too long delayed. I believe we had better think of the helpless veterans, and give them the economic relief today which would be provided by the bill. The bill could be passed in 30 minutes. I certainly think we can afford to devote that much time to it.

Mr. McFARLAND. I do not like to differ with my good friend from Oregon, but I wish to say that if any maneuvers have been engaged in with respect to strategy on the pending bill, I do not know of them. The only thing that is keeping us from taking action on the pending bill is speeches on other matters. If we took action on the veterans' bill it would just take that much longer to dispose of the pending bill. I hope we can promptly dispose of the pending bill.

I say to the Senator from Oregon that I shall be very glad to work with him in trying to set a time for bringing up the veto message. If he will not press the issue at this juncture, I assure him that I shall consult the chairman of the Committee on Finance about it. I give the Senator from Oregon my word that I shall work with him and the chairman of the committee in trying to set an early date for bringing up the veto message on the veterans' bill.

Mr. MORSE. Mr. President, I find the Senator from Arizona demonstrating the same cooperative spirit that I have always found him to demonstrate toward the junior Senator from Oregon. I will accept his word. I know I can take his word that he will work with me, and the two of us, with the chairman, in trying to obtain very early consideration of the veterans' bill. The helpless veterans are entitled to action at an early date. I do not believe we can justify further delay.

I am satisfied that if we could get the bill to the Senate floor, we would be able to override the President's veto by an overwhelming vote. I want to say—and I say it most respectfully about the President of the United States—that I believe in the preparation of his veto message he overlooked some very fundamental principles as to the rights of these particular veterans to the pension. I believe we owe it to the veterans to override the veto without further delay.

Mr. President, I withdraw my motion as of now, giving the majority leader the assurance, it being a privileged matter, that if we cannot work out with the chairman a satisfactory arrangement as to an early consideration of the bill, I shall renew my motion.

Mr. McFARLAND. I wish to express my appreciation to the distinguished Senator from Oregon. I assure him we will get along.

The PRESIDING OFFICER. Does the Senator from Oregon still wish to have the RECORD read?

Mr. MORSE. I shall be delighted to withhold the request until tomorrow morning, so that the distinguished occupant of the chair [Mr. GILLETTE] can peruse the RECORD for himself. The Chair will note I made my motion after the Senator from North Dakota yielded and before he subsequently offered a reservation.

The PRESIDING OFFICER. The Chair will be very glad to acquiesce in that procedure. The Senator from North Dakota has the floor.

Mr. LANGER. Before I conclude my remarks, I ask unanimous consent that there may be printed in the RECORD at this point a chart prepared by the Library of Congress, showing exactly what it would mean to every county in North Dakota if this bill for \$3,500,000,000 is passed. It shows the per county cost of the total amount appropriated from July 1, 1945, to June 30, 1951, and the per county cost in North Dakota if the pending bill shall be enacted.

I call attention to the fact that in Cass County in North Dakota, the most thickly populated county in the State, the proportion would be nearly \$38,000,000. Mr. President, I close firm in my belief that the people of this county are overwhelmingly opposed to this bill—to this giving away of \$8,500,000,000. I believe the people feel that this is an outrageous act—that this money is needed here for pensions, for hospitals, for schools, for roads and that when these people wake up to what is being put over on them they will realize that at least the senior Senator from North Dakota tried his best to help them. Mr. President, I am not afraid to do my duty as I see it, I am not afraid of the criticism of those who have profited by the millions of dollars because of the give-away gifts of the Congress. I am not afraid as long as I vote according to my conscience and when the time comes when the Senate clerk calls out the name of WILLIAM LANGER I shall with pride respond with a ringing "No."

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

North Dakota's computed share on per capita basis of cost of foreign aid, 1945-51, and military appropriation bill, 1952

Unit	Population, Apr. 1, 1950	Share on per capita basis in—	
		Postwar aids and grants to foreign countries, utilized and available July 1, 1945, to June 30, 1951	Department of Defense military appropriations bill, fiscal 1952
(1)	(2)	(3)	(3)
North Dakota....	617,965	\$174,278,489 1,403,920,463	\$229,641,974
Adams.....	4,891	1,379,360	1,817,545
Barnes.....	16,222	4,574,928	6,028,257
Benson.....	10,618	2,994,488	3,945,755
Billings.....	1,769	495,893	657,378
Bottineau.....	12,061	3,409,904	4,481,988
Bowman.....	3,998	1,127,516	1,485,697
Burke.....	6,597	1,860,486	2,451,511
Burleigh.....	25,252	7,121,569	9,383,896
Cass.....	57,903	16,329,804	21,517,334
Cavalier.....	11,693	3,297,660	4,345,236
Dickey.....	9,066	2,556,793	3,369,016
Divide.....	5,977	1,685,634	2,221,113
Dunn.....	7,212	2,033,928	2,680,051
Eddy.....	5,361	1,511,909	1,992,201
Emmons.....	9,694	2,733,902	3,602,387
Foster.....	5,301	1,494,988	1,969,905
Golden Valley.....	3,487	983,404	1,295,804
Grand Forks.....	39,190	11,052,364	14,563,396
Grant.....	7,109	2,004,880	2,641,775
Griggs.....	5,414	1,526,856	2,011,897
Kettinger.....	7,086	1,998,394	2,633,228
Kidder.....	6,154	1,735,551	2,286,888
La Moure.....	9,471	2,671,011	3,519,518
Logan.....	6,345	1,789,417	2,357,865
McHenry.....	12,556	3,541,043	4,665,935
McIntosh.....	7,591	2,140,814	2,820,892
McKenzie.....	6,840	1,929,017	2,541,812
McLean.....	18,770	5,293,515	6,975,120
Mercer.....	8,676	2,446,806	3,224,088
Morton.....	19,242	5,426,629	7,150,520
Mountrail.....	9,399	2,650,705	3,492,762
Nelson.....	8,055	2,271,671	2,993,319
Oliver.....	3,077	867,776	1,143,444
Pembina.....	13,944	3,932,487	5,181,730
Pierce.....	8,259	2,329,203	3,099,127
Ramsey.....	14,334	4,042,474	5,326,658
Ransom.....	8,938	2,492,493	3,284,289
Renville.....	5,388	1,519,524	2,002,235
Richland.....	19,738	5,566,511	7,334,838
Rolette.....	11,094	3,128,730	4,122,641
Sargent.....	7,568	2,134,327	2,812,344
Sheridan.....	5,226	1,473,837	1,942,034
Sioux.....	3,709	1,046,012	1,378,301
Slope.....	2,308	650,902	857,676
Stark.....	16,121	4,546,444	5,990,725
Steele.....	5,131	1,447,045	1,906,731
Stutsman.....	24,039	6,779,479	8,933,133
Towner.....	6,329	1,784,905	2,351,920
Trail.....	11,330	3,195,287	4,210,341
Walsh.....	20,485	5,777,180	7,612,431
Ward.....	34,631	9,766,635	12,869,226
Wells.....	10,384	2,928,496	3,858,798
Williams.....	16,402	4,625,692	6,095,147

* Total of columns 2 and 3.

NOTE.—The amounts for each county represent that county's share in the programs listed in the column headings, when that share is computed on the basis of per capita amounts of each program. Total foreign aid and grants utilized, and aid and grants available, were divided by total United States population to find the per capita amount of the program. That amount then was multiplied by the population of each county. The same procedure was followed in computing the county's share in the defense appropriation bill.

Mr. LANGER. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. The committee amendment is open to amendment.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Butler, Md.	Hill	McFarland
Byrd	Hoey	McMahon
Carlson	Holland	Millikin
Case	Johnson, Colo.	Morse
Clements	Johnston, S. C.	Mundt
Connally	Kerr	Murray
Dirksen	Knowland	O'Mahoney
George	Langer	Russell
Gillette	Malone	Saltonstall
Hendrickson	Martin	Williams
Hickenlooper	Maybank	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators, and Mr. FREAR, Mr. McCLELLAN, and Mr. SMITH of New Jersey answered to their names when called.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). A quorum is not present.

Mr. MCFARLAND. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of Senators on the floor of the Senate.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. SMATHERS, Mr. WELKER, Mr. TAFT, Mr. NEELY, Mr. ELLENDER, Mr. CORDON, Mr. MCKELLAR, Mr. YOUNG, Mr. ECTON, and Mr. SCHOPPEL entered the Chamber and answered to their names.

After a little further delay Mr. AIKEN, Mr. BENNETT, Mr. BENTON, Mr. BREWSTER, Mr. BRICKER, Mr. BRIDGES, Mr. BUTLER of Nebraska, Mr. CAPEHART, Mr. CHAVEZ, Mr. DOUGLAS, Mr. DUFF, Mr. DWORSHAK, Mr. EASTLAND, Mr. FLANDERS, Mr. FULBRIGHT, Mr. GREEN, Mr. HAYDEN, Mr. HENNINGSON, Mr. HUMPHREY, Mr. HUNT, Mr. IVES, Mr. KEFAUVER, Mr. KEM, Mr. KILGORE, Mr. LEHMAN, Mr. LONG, Mr. MOODY, Mr. NIXON, Mr. O'CONOR, Mr. PASTORE, Mr. ROBERTSON, Mrs. SMITH of Maine, Mr. STENNIS, Mr. THYE, Mr. UNDERWOOD, Mr. WATKINS, and Mr. WILEY entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

Mr. MALONE. Mr. President, the pending bill, which originally called for \$8,500,000,000 and which has now been cut by the Senate committee approximately \$1,000,000,000, has been almost immediately increased by another \$1,000,000,000, authorized for the Export-Import Bank for use in the making of loans, bringing the total amount again to \$8,500,000,000. Taking into account the loans through other agencies, such as the World Bank, and including expenditures on the point 4 program, it probably will approximate \$10,000,000,000 before the year's expenditures are fully covered. Mr. President, that is in addition to the current domestic expenses, including our own armament cost.

The taxpayers of America are unable to carry the burden. We put this appropriation on the basis of assisting European and other nations, whereas those countries at the present time are probably better off than we would be if we had to face the music all at once and pay up. We owe a national debt,

as the result of a succession of programs like the one which faces us today. The public debt, apportioned among the respective States, represents more than the value of their taxable property.

Let me refer to the taxpayers of the State of Nevada, the small taxpayers, the working people of my State. I have covered the country pretty thoroughly, and I believe that the people of my State are average people. Many of them are simply going out of business.

Mr. WELKER. Mr. President, will the Senator yield for a question before he gets into the main theme of his address?

Mr. MALONE. I am very happy to yield to the distinguished Senator from Idaho.

Mr. WELKER. Am I correct in the assumption that the taxes to be levied upon the people of the State of Idaho amount to a sum in excess of \$33,000,000, which, I must say, is a tax greater than the entire tax imposed by the State in order to operate the schools, roads, State government, administrative affairs, and every other function of State government? Am I correct in that?

Mr. MALONE. That is absolutely correct, I may say to the distinguished junior Senator from Idaho. The junior Senator from Nevada has not computed the amounts for each State, but the condition he suggests obtains in most of the States, including my own. To pay the State's proportion will require a Federal tax and a Federal collection greater than the amount required to operate the State government. Not only that, but the public debt, divided on a per capita basis, is in the case of a number of States more than the taxable value of the property in the State.

Mr. President, we talk in billions of dollars. Many people have accustomed themselves to that. If the great majority of the people ever operated a business, it was probably a small business, valued at only a portion of even \$100,000. They have no realization of the meaning of billions of dollars, and they have had no practical experience which would enable them to know.

The junior Senator from Nevada, having been engaged in the engineering business for 30 years, is accustomed to dealing with rather large amounts of money and estimates, and he understands what it means to bond districts in order to raise a certain amount of money. When it comes to talking in terms of what a community can raise through a bond issue, a very serious question is involved throughout my State of Nevada, and throughout all the States of the Nation. The people very carefully consider and trim public expenses.

As I have said, we now talk in billions of dollars, as we must in connection with our own defense, and which no one questions. We need air groups. In 1948, the junior Senator from Nevada joined with other Senators on the Senate floor in authorizing 70 groups, when the President had recommended 54 groups. He built 45 groups. As a result, we found that we were not ready for any emergency, and not being ready is how one

gets into trouble. We want to build our air groups; we want to build our submarine fleets, but in arming ourselves, we must measure our ability to pay.

As I said earlier, many of the foreign countries are in better shape than the United States of America at this time, when it comes to the matter of actual assets.

In the United States we have a taxing system by which we reach not only the corporations and the people who might be expected to have money, but we reach the hard-pressed workingmen and the workingwomen. We have a theory, widely advocated, to which even some Republicans have subscribed, to the effect that when we raise wages, or when the workers earn a little more money, we must siphon it off in taxes in order to prevent inflation. We seem to have some sort of idea that if an individual has his pay raised, say, 50 cents a day, or a dollar a day, he must spend that extra amount, and that this spending causes inflation unless the Government steps in and siphons off the raise in taxes.

Mr. President, such is not the case. Government spending causes inflation, just as much as does spending by individuals, indeed more so, because when the individual spends money for things which he himself needs he is building up wealth-producing property. On the other hand, when the Government spends, it is not building up wealth-producing property.

Mr. President, since World War II closed, this Nation has spent more than \$40,000,000,000 outside this country; \$40,000,000,000 is hard to visualize. It is \$3,000,000,000 more than the total taxable property of the 11 far Western States, and the 14 Southern States, including Texas.

In an earlier debate, it was computed by the junior Senator from Nevada that, going back to UNRRA and the \$3,750,000,000 worth of aid to England, and then the Marshall-plan funds, the point 4 program, and all the trick methods of giving foreign countries our money, approximately \$8,000,000,000 a year has been going outside this country. We have been doing that to build up industry in other countries.

The theory of UNRRA and of the Marshall plan was that we would be establishing markets for the American businessman abroad. Just why we decided we were establishing markets for American businessmen abroad was always a mystery to me. I debated that question on the Senate floor, pointing out that in the engineering business the first thing an industrial engineer tries to determine in estimating the feasibility of a plant in a certain area is the location of markets. It is not a question as to how much he can produce. Anyone can produce. The difficult part is the marketing.

Mr. President, after we started throwing these billions of dollars into Europe to build up their industry we soon found they had to sell their products. Where were they going to sell their products? There was only one real market in the world where they could get the money,

and that was the United States of America. That meant opening our markets to the low-wage products of the world. Then we soon began to hear about "reciprocal trade," a catch phrase by the short-sighted one-economic-worlders to build up free trade.

In current press dispatches it is no secret that England wants more money immediately. As a matter of fact, she is in as bad a financial condition as she was when we first adopted the Marshall plan. Representatives from England will be here in early September. The interest is due on the principal of the \$3,750,000,000 loan we advanced England, but no doubt the representatives will get the United States to pass the payment. In all fairness, I must say that no one in America thought there would ever be any payment. It is but the fulfillment of our prediction.

England's representatives will be here to deny that England is able to pay any money on the debt, even any interest.

The second reason they will be here is to get more money to operate their Government.

It is easy to see that the Marshall plan, as well as all the other foreign-aid plans, is just one more method of separating the taxpayer of America from his money and to head this country toward a one-economic-world set-up. So long as we have more wealth than any other country, apparently we shall be dishing it out.

We are living on emergencies, and have been for a long time. In 1929, after we had gone through several years of various methods of shoveling money out of the United States Treasury in made work of all kinds, there were still 9,000,000 persons unemployed in this country, and more millions partially unemployed.

Unemployment was increasing. World War II came along and cured the unemployment problem.

On June 26, 1950, there were five to six million persons unemployed, and there were eight to ten million persons partially unemployed. On the 27th of June the police action in Korea came along. Mr. Sawyer, Secretary of Commerce, in a newspaper dispatch following the advent of that police action which Mr. Truman instigated, said that we had surely cured the unemployment situation. At this very moment we are living on an emergency, and the Administration has kept emergencies going almost continuously since 1933. If at this moment we should run out of an emergency, our economy would crumble within 90 days.

Mr. President, a real problem is taxes. Our committees have reached the point where they are laboring long and diligently to find new sources of taxation. They have just about exhausted everything, and they have also about exhausted the taxpayers. I predict that many taxpayers will be absolutely unable to pay their taxes, considering the new taxes which are coming. The new taxes represent just about the amount which we will throw out into European countries and around the world, and they represent just about the amount that will break the camel's back.

Another serious thing is the present deficit financing. The administration is back into deficit financing. A well-written and clear editorial appeared in today's Wall Street Journal. I read:

Judging from Senate committee and House action, this year's appropriation for foreign aid will be a billion dollars or more under the \$8,500,000,000 recommended by President Truman. In effect Congress is saying that the United States Treasury and its supporting taxpayers cannot safely or sensibly be burdened on the scale proposed by the administration.

Congress is right about that. But the same issue which is involved in the foreign aid bill runs through all the administration's financial programs and recommendations.

Further on in the editorial we find this language:

Underlying the action of Congress on the foreign-aid bill to date is the fear—shared equally by Democratic and Republican Members—that the purchasing power of the dollar may be progressively destroyed.

There is no question but that it will, Mr. President. The appropriations we make and the bonds we sell are turned into greenbacks through the banking methods. It is well known that several billion dollars of new money is printed each year to make up the large amount of circulating medium, and the more money we have, the more inflation we will have under present conditions.

The editorial continues:

But the significant fact remains that the Government has returned to deficit financing. It is thus increasing the national debt; it is a near certainty that it will soon be borrowing on a greater scale. We dare not forget that a central government's borrowing is the root source of price inflation and that price inflation is a partial repudiation of the debt.

Mr. President, at that point I should like to say that in the past 15 years the administration, through inflation and devaluation, has stolen much more than 50 percent of the savings and the insurance of this country. In the case of a man who has paid on his insurance for 10 or 15 years, all the time believing that on his death he will leave enough to pay his modest debts and continue his children in school, the purchasing power of what his policy will pay will be less than half of the purchasing power of the same amount when he was paying for the policy.

Mr. President, it is not a very nice thing for a government to steal half the savings and half the insurance of the people of the country. In my opinion, the Congress of the United States is partly responsible for this, because, regardless of what a President recommends, the Congress must do the authorizing.

There is still something else which is helping to destroy the economic structure of the country.

I should like to call attention to a statement appearing this morning in the same newspaper from which I have just quoted, the Wall Street Journal, on the subject of free trade. It will be remembered that earlier in the session we extended the so-called Reciprocal Trade Act for 2 years. We did manage to cut it down to 2 years, and, in my opinion,

it will not be extended again, for, by the time it comes up again, it will be seen what the results of free trade are, and the workmen and investors will simply not stand for a continuance of it.

At the time that measure was under discussion, the junior Senator from Nevada placed a sewing machine made in Japan on one corner of his desk and a sewing machine made in the United States by White or Singer, or one of the other standard companies, on the other corner of his desk. Those two machines, each guaranteed to do the work done by the other, looked about alike. It was hard to tell them apart. The junior Senator from Nevada pointed out at that time that the difference between the machines lay in the price. One was sold at \$22 wholesale, and the other was sold at \$71 wholesale, approximately. The difference was simply the result of one thing. Those who manufacture the Singer or the White sewing machine paid their employees from \$1.80 to \$1.90 an hour for labor in this country. The workmen in those industries lived in good houses. They had carpets on their floors and curtains at their windows; they ate good food, drove an automobile. On the other hand, the sewing machine factory workers in Japan received 7 cents an hour and did not have the things the American workers had.

It was nice for a lady to be able to buy a sewing machine at the low price at which the Japanese sewing machine was sold. That one American industry could be run out of business and the American sewing machine factories closed without that lady being affected very much thereby. But if the same thing were extended into textiles, the products of the mines, precision instruments, crockery, and right on down through the list of products of the various industries, the lady would find herself very much injured thereby. The junior Senator from Nevada at the time he made his speech placed in the Record a long list of industries which were in the same hazardous condition as the sewing machine industry. The lady would eventually find that she would not have the \$22 necessary to pay for a Japanese sewing machine, because her husband would have lost his job.

It comes down to the simple point of whether we are going to support our standard of living or whether we are going to support our standard of living or whether we are going to undermine it by the one-economic-world free-trade theory, whereby our standards would be leveled downward to meet the economy of low-wage nations.

The editorial published in the Wall Street Journal this morning was something that was predicated by the junior Senator from Nevada. It says in part:

Sewing machines of Jap origin give United States manufacturers rough competition.

That is the headline. It continues:

Our former enemy and future ally is shipping them here at a rate of 250,000 annually. That's about 25 percent of the annual number of units sold in the United States. These machines are retailed at \$47.50 to \$150, or from 30 percent to 50 percent below the price of American-made units.

Only the sewing machine heads are produced in Japan. The motor, enclosing arm, and cabinet are added in this country. The machines closely resemble models by Singer and White.

I may say at that point that the Japs are great imitations. Furnish a Jap with a pair of eyeglasses or a pair of shoes and he will duplicate the eyeglasses or the shoes. The Japanese workmen are very fine workmen. I was in China where I heard the story that someone wanted a pair of shoes duplicated and asked a Jap to duplicate them. He forgot to tell the Jap that he did not want the defects duplicated. The pair of shoes were duplicated exactly, even to the worn soles.

I continue to read from the article in the Wall Street Journal:

Many dealers claim their sales of the United States products have tumbled about a third this year.

Domestic manufacturers complain they're not allowed to use nickel while the imported machines contain quantities of the strategic metal.

SECURITIES AND EXCHANGE COMMISSION

Mr. President, we have a Securities and Exchange Commission. In 1948 and 1949 a Senate committee held a few hearings on the method of operation of the Securities and Exchange Commission. That was when the Republicans controlled the Senate and its committees. At that time it was pointed out that the Securities and Exchange Commission had set up an organization whereby their self-anointed economists and engineers determined whether a proposed business would be feasible or not. I point out that it never was intended that a State securities and exchange commission or a national securities and exchange commission should determine feasibility before allowing a stock to be sold. That was never intended. It was intended only to compel the seller of stocks to tell the truth.

Nevertheless, the Securities and Exchange Commission takes unto itself the authority of prohibiting the obtaining of private capital through the sale of securities if it should determine that the investment is not "feasible."

If the Securities and Exchange Commission had had to pass on the new Texas oil field, it would never have been discovered. This morning's press tells about one of the largest oil fields ever discovered in the country. It was discovered by wildcat operators, who sell shares of stock or interests in order to keep the drills running, they usually sell out to a large company, after the field has been proven.

The Commission is doing everything it can to run out of business the prospectors in the mining business and the wildcaters in the oil business.

At this time, with all the other things going on, the depletion allowance in the oil industry is the only thing that keeps oil investments going. It is the same way in the mines. The depletion allowances ought to be increased, and not reduced.

Bureaucracy is at the root of much of our trouble. Congress passes a bill, inserting a paragraph to the effect that all the details of administration shall be in the hands of an administrator, who

may make his own rules and regulations, having all the force and effect of law.

It is impossible to develop a business and operate under such conditions. Thus we have run private capital out of the field. We are running it out of all fields of investment.

As we do that, we must, of course, make arrangements to use the taxpayers' money to finance development.

It all leads to one goal.

Mr. Eden was here the other day. He made a speech in Chicago suggesting that we should modify our Constitution, give up some of our sovereignty, and join in a federation of nations. There is a bill pending in the Congress, sponsored by several Senators, calling upon the President to appoint representatives to attend an international conference with a view of doing just that.

If we should join a federation, as Mr. Eden suggests, and as the bill which has been introduced would provide, leading to the modification of the Constitution of the United States, it would simply mean that the other member nations could vote us into war. They could levy taxes on the basis of what the majority considered the ability to pay, and they would not have to come to Congress for the billions of dollars which we pour out to them every year. If it embarrasses them to have to ask the Congress of the United States to vote money for them, as it probably does, they could then simply assess us. I can see Mr. Eden's point.

The steps in this European plot started with the Vandenberg resolutions in 1948. The junior Senator from Nevada debated the subject with the late Senator Vandenberg, of Michigan, stating that if we passed his resolutions, calling upon the President and the Secretary of State to make such a treaty without specifying the conditions of the treaty, we would be bound to accept it when it came to the Senate. I pointed out that that would be a departure from our traditions; that we were here to study treaties and accept them or reject them.

In answer to my warnings, it was piously stated right here on the Senate floor that passage of the Vandenberg resolutions did not mean we would have to accept the pact which would ensue; then it was stated piously that if the pact should be accepted that did not mean we would have to furnish arms; then it was stated piously that if we should furnish arms it did not mean we would have to furnish men.

Mr. President, step by step those things have happened. The junior Senator from Nevada pointed out in 1948, 1949, 1950, and about three times this year exactly what the one-worlders were up to. I also pointed out that we could not limit the number of men once we started sending them. I also pointed out that we would have a repetition of the steps in World War II, in the early part of which Winston Churchill said that they needed money only. After we gave them money, he said they needed equipment and arms. After we gave them arms and equipment, he said they needed men. We gave them men. Then he said, "We are destroying the seed of England. We must have more men from

America." We ended up by furnishing 73 percent of the soldiers in the European army. And it looks as though we will do it again.

Mr. President, in connection with the number of men to be furnished by us, it will be remembered that it was just said that six divisions would be sent to Europe. With approximately 15,000 men to a division, it would mean about 90,000 men. Then out of a clear sky comes the announcement of General Marshall. Due to his fatherly attitude and his age, no one wants to abuse him or say that he knew better in the very beginning. Marshall was chosen to break the news. He announces that 400,000 men will be necessary. So here we go again. Now it is 400,000 men. I predict that by next year, it will be 1,000,000 men. We will end up by again furnishing at least 73 percent of the troops in Europe.

No other country is furnishing any troops to General Eisenhower. Not one intends to do anything about it.

Russia does not want war now. Russia does not want a war in Europe. Why should Russia want to take over Europe when we are furnishing European countries with money, raw materials, and industrial machinery which those countries need to manufacture material for Russia and other iron-curtain countries and Communist China? It would be silly for Russia to disturb a situation like that. She knows that if she did we would give up sending raw material and industrial machinery.

England has defied us. The Battle bill, which has just been passed by the Senate, took the place of the Kem-Byrd-Malone-Wherry amendment, to stop the arming of Russia by Marshall-plan countries. According to certain press reports, the Battle bill is a great bill. As a matter of fact it defeats the original purpose, because the administration is entirely in the hands of an administrator who takes his advice from the State Department, the Department of Commerce, and other departments of government which all along have been aiding and abetting the arming of Russia, iron-curtain countries, and China.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the distinguished Senator from Idaho.

Mr. WELKER. I should like to ask the Senator from Nevada whether or not he has heard anything recently from Europe which would substantiate a statement made in the State of Idaho by a very prominent labor leader who has just returned from France, Germany, Italy, and from behind the iron curtain itself. I should say before reading his statement that I am not in agreement with his ideas and views. When asked the question as to what France and Italy thought of us—and we should bear in mind that the labor leader's statement to which I refer was made on August 13, 1951—his answer was:

Us as people, they think we are all right; but as a government dominating their country, they have no use for us. They have signs all over France: "Americans, why don't you go home?" It seems as though everything we are doing for them is not benefiting the working people. In Italy the same ex-

ists, except for the signs. This people was beaten during the war and they don't express their opinions as much as most of the people of France do.

Can the distinguished Senator from Nevada tell us what his knowledge is as to whether or not such signs do in fact exist in those countries?

Mr. MALONE. I saw such signs as referred to by the distinguished Senator from Idaho. I was over there in 1948. I did a little exploring, to see if times had changed very much. It was not safe at that time for American soldiers to walk down the street alone at night. They had to travel in groups, just as they had to do after the armistice in 1918. They do not like us. They do not like to be dominated. The money we are sending and the various things we are doing for them are not benefiting the common people, as they are called, and they do not intend to fight a war.

The Labor Party of England and the Labor Party of France made that very plain. They are the controlling parties. That is to say that they have a large enough vote to get control through a coalition. They are not going to go to war with Russia. That is nothing new, Mr. President. About 2½ years ago there was a labor meeting in England, and that is the information which came out of England. Later the same came out of France.

We do not understand the foreign policies of England, France, and other European countries. We think that because they were with us in World War I they would all be with us in world war III. I wish to call the attention of the junior Senator from Idaho [Mr. WELKER] to the fact that that does not necessarily follow. Between 1858 and 1862 England had an outstanding Prime Minister, who voiced the foreign policy of England. It has been echoed by several subsequent Prime Ministers of Britain. What he said, in effect, was this: "We"—meaning the English—"have no permanent friendships or enmities; we have but permanent interests."

Mr. President, what are England's permanent interests? Let us skip past other British Prime Ministers who made the same statement, in effect, and let us come to Churchill. Mr. Roosevelt on one occasion said to Mr. Churchill, in effect, "Why don't you relinquish your claim on the Malayan States, and save all of this trouble?"

Churchill, having the great gift of using catch words and phrases, answered, "I did not become the King's First Minister to liquidate the British Empire." In other words, if the United States does not support Britain, by helping maintain her colonial system, Britain will no longer consider us her friend. That is what he had in mind.

Mr. WELKER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Pastore in the chair). Does the Senator from Nevada yield to the Senator from Idaho?

Mr. MALONE. I am glad to yield to the distinguished Senator from Idaho.

Mr. WELKER. I hold in my hand a transcription of a radio broadcast given

by an official of a prominent labor union in my State. Let me say that I am very well acquainted with the workers who are members of this union. I have fought for some of their problems in Idaho, and I respect a great many of them.

However, certain allegations which were made in that radio speech, of which I have a transcript, cause me great concern, because that man who spoke in my own State spent 23 days behind the iron curtain in Russia. In his speech he informed the people of my State, by means of the radio, that he and others in his group took their still cameras and motion-picture cameras with which they took photographs of everything they desired to photograph at any plant in Russia which they wished to photograph. Among other things, that man told the people of Idaho in the course of his radio address:

I never seen anybody who showed the consideration that the people do for us.

Speaking of the people of Russia.

They heartily hate our Government. We know that. But as far as the working people and the common people in the United States, they like and they love them.

He was asked whether the people of Soviet Russia were preparing for war. I quote now from a portion of his radio speech, which, as I say, has given me great concern, in view of the fact that we are considering this foreign-aid bill this afternoon:

Every town, every city, every plant we were in, everything that you could hear was peace. Those people are building for peace. In all the plants we were in we never saw any preparation for war.

Mr. President, I am wondering whether the gentleman who made that radio speech was a victim of the propaganda of the Soviet Empire, and I wonder whether the Senator from Nevada has any information which he can give us to clarify these most startling statements which were made by that gentleman in his speech over the radio in my State.

Mr. MALONE. Unfortunately, Mr. President, I must say to the distinguished Senator from Idaho that I have no detailed information in regard to Russia. Our State Department constantly issues statements to the effect that it is unable to obtain accurate information about Russia. Personally, I have no information.

However, the radio speech to which the Senator from Idaho has referred seems to fit in with what is going on, and what was said over the radio sounds like good Soviet propaganda.

Mr. President, either we are preparing to fight another nation or we are not preparing to fight another nation. If we are preparing to fight a certain nation, it is time we stopped arming that nation. However, we are doing that through Marshall-plan countries just as surely and just as effectively as if we were sending the supplies and materials directly to Russia herself.

The radio speech to which the Senator from Idaho has referred seems to reflect the British attitude. Britain recognizes Soviet China and is continuing to arm the Chinese Communists.

Mr. WELKER. Mr. President, will the Senator yield for a further question and for an observation?

Mr. MALONE. I am very glad to yield.

Mr. WELKER. I have related to the distinguished Senator from Nevada portions of the transcript of a speech made over radio station KWAL, in Idaho, on August 13, 1951. I should say to my distinguished friend and colleague that I do not believe anything which was said in that speech; I believe that the gentleman who made the speech was a victim of Communist propaganda.

However, I cannot forget the problem I have in answering to my own people, within the State of Idaho, who heard that broadcast and believed it. I cannot forget the obligation I owe to them, because if what that man said is true, certainly it requires a little high-level investigation—either at the highest level, or slightly below the highest level—on the part of our State Department. In any event, something should be done to determine the truthfulness—or lack of truth—in such a statement.

As I have said, I wish to make the record perfectly clear that I believe that the man who made that radio broadcast was victimized by Communist propaganda.

Of course, we could expect such things to be said behind the iron curtain, but if that propaganda is being carried on within France and Italy, is it not time that the American people are alerted to the fact that citizens of our own country who go to Russia are being misled and propagandized by the people within the Soviet Empire?

Mr. MALONE. I think it is not only time, but it is long past time.

We are the ones who pay the bill. We are the ones who do the fighting. We are the ones who furnish the men on the battlefields. We just finished one war out there; at least, it is temporarily finished. We have furnished 90 percent of the men in Korea.

Mr. WELKER. Will the Senator yield?

Mr. MALONE. I yield to the distinguished Senator from Idaho.

Mr. WELKER. I appreciate the remarks of my friend from Nevada, and I am sure he will agree with me that, before we vote away our taxpayers' money for foreign economic or military aid, we, as representatives of our Government, want to know that the money is going to be well spent. I think that desire is in the heart of every Senator, or at least it should be.

I might relate to the distinguished Senator from Nevada that 3 nights ago I had a visit with a missionary from my State, representing one of our great churches in the West—and the Senator is familiar with the church—who had just returned from Europe, after spending nearly 3 years there associating with people in all walks of life. I asked him, "What do the people in Europe, where you have been, think of us?" The answer was, "Unfortunately, Senator, a large majority of them call us warmongers." I may say to my friend from Nevada, I realize that Europeans who

make that statement are misinformed; but we are confronted with that ever-present fact. If we send our fortune and our supplies to Europe, what assurance have we that they will get into the right hands, rather than into the hands of those who call us warmongers, and who tell us to go on home and mind our own business? Those, to me, are serious problems.

Mr. MALONE. I assure the distinguished Senator from Idaho that they are serious problems; but the more serious problem is that we cannot continue to assess our people the way we are assessing them now, surrounded by the conditions which the junior Senator from Nevada has outlined—free trade, unbearable taxes, deficit financing, a Securities and Exchange Commission holding down private financing, and general bureaucratic control. Destruction of the economic system in this country is under way, and as soon as the war emergency is over this economy of ours will crumble, particularly with the excessive taxes. If we were on a sound foundation the excessive taxes to meet the budget would be unnecessary. Furthermore, if the European countries were paying their way, as they could, and if they were furnishing their men, as they could, we could go ahead and do the things we should, toward building air supremacy, supremacy in submarines, and sea supremacy.

The Senator is well aware, I am sure, of the new submarine which will be in use within 2 years. It is equipped with the new reactors. There is no question but that the submarines will be able to operate for 6 months without refueling, and that planes, too, may be in that class soon if we put our money into the kind of materials and laboratories which will bring it about.

There is no question but that we can stay ahead of Russia.

We naturally resent the fact that every time we have an appropriation bill before us, whether it is for \$50,000,000,000 or \$10,000,000,000, or \$8,000,000,000, General Eisenhower or General Marshall or someone else within the administration issues a statement that war is here, a statement designed to scare us into the appropriation of money to be sent away from our shores.

Let us prepare here at home. Let us put our house in order.

The junior Senator from Nevada once said on the Senate floor, and he repeats it now, that anybody, be he the President of the United States or the Secretary of State, who gives to France or any other nation the secrets of our new discoveries in atomic energy, or anything else, should be impeached. We should stay ahead of these people.

Mr. WELKER. Mr. President, will the Senator yield for one more observation?

Mr. MALONE. I am very happy to yield to the Senator from Idaho.

Mr. WELKER. I may differ with my distinguished colleague from Nevada, who in the years past has rendered his State such great service. Coming from a neighboring State, I appreciate the

Senator's efforts, as do the people of his State and of my State. The Senator is profound in the conclusions which he has expressed. I should like to believe in collective security, I should like to believe in a defense which is perfect, but what impresses me now, in view of the answers which the Senator has made to my questions, is, Are we doing our duty to our country, in giving our fortune and our men to other nations who may not be full partners in the sense that we understand the term? I would go all out for a full partnership, such as the partnership we have among people in the west, where there is equal support for every function. But I cannot say to my people, in view of the things they have heard and read, that they, in the State of Idaho, should be taxed for mutual defense, more than it costs to run the entire State government for a year, unless I have within my heart an assurance that we shall have full cooperation on the part of the countries to whom we extend that support.

Mr. MALONE. I may say to the distinguished Senator from Idaho that he is entirely correct, and I hope that he will retain his faith in these foreign nations. But the thing which will make him a doubter is found in their own words, when they say "We have no permanent friendships; we have but permanent interests." That is their foreign policy.

Mr. President, I mentioned awhile ago the fact that more aid will be asked by Great Britain. I have before me a United Press dispatch of August 28, 1951, under a Paris date line, headed "French Will Try for More United States Aid." The dispatch read as follows:

The French Cabinet decided today to press for large-scale increases in American aid to France.

Visitors from France have come back with the information that if that fails, as the distinguished Senator from Idaho has advised the Senate, the French will have nothing to do with us. They think we are warmongers. However, they like the way we keep up our payroll.

In the years 1948, 1949, and 1950, and two or three times in 1951, the junior Senator from Nevada has stated that any aid we give the nations of Europe should be predicated on certain conditions.

I firmly believe that any aid should be dependent, first, upon the formation of a United States of Europe. All the nations are afraid of Germany. Germany will fight and will work. If they were given 4 years, they could lick the rest of Europe. If there were a United States of Europe, Germany would be glad to join. The other nations will not buy products from Germany because they are afraid of her, economically and militarily. But, with a United States of Europe countries of Europe would be just like the States of California, Nevada, and Idaho. We in Nevada are not afraid of California; California is not going to hurt us. If they had the same kind of state relationship in Europe, Europeans could reach the zenith of their power.

Another condition that we should place on any aid, as I stated, would be that the recipient countries should guarantee the integrity of private investment within their respective borders. Instead of that, we are giving the aid with no conditions and we ourselves guarantee private investment through the point 4 program. This situation is like an individual going to a bank borrowing a thousand dollars and the bank's guaranteeing the repayment.

Another condition on foreign aid should be that our producers should have access to the markets of the areas which we are committed to defend. That would destroy the colonial empire system. The colonial empire slavery system could not exist. If we should place such conditions on our aid, there might be a different story; but no such conditions were required.

Mr. President, the dispatch goes on to say:

Authoritative sources said Premier Rene Pleven's government agreed to warn Washington that unless substantial additional help is supplied, France will be unable to fulfill its commitments to General Dwight Eisenhower.

France will urge especially that United States aid be furnished for the French campaign against the Communists in Indochina and for defense industries at home, it was learned.

In other words, we must put our men in Indochina to defend France and to be sure the French do not lose their slaves in Indochina. If we do not do that, France will let it go by default.

I read another dispatch, dated Washington, D. C., August 28, from the United Press:

The United States allocated \$29,800,000 to bolster Marshal Tito's Yugoslav Government in its defiance of the Kremlin. The allotment was made by the Economic Cooperation Administration as part of \$50,000,000 in economic aid which this country, the United Kingdom, and France will send to Tito.

We know how much money France and England will send to Tito, and where it will come from. It will come from the United States. Here is an admitted Communist who is mad at another Communist temporarily, so we are sending him money.

We are also dealing with a country in which an American citizen is unlawfully detained. Instead of sending a couple of warships and a fleet of airplanes to pick him up, we are paying them. They shot down several of our airplanes at the end of World War II, and nothing was ever done about that.

Mr. President, I have another dispatch here. I mentioned Mr. Eden earlier in my address. This dispatch is in the New York Times of August 29, 1951. It is headed "Trade with Russia is upheld by Eden—Briton winding up visit to United States defends importing of grain, timber as dire necessity." It reads, in part, as follows:

Anthony Eden, deputy leader of Britain's Conservative opposition, defended yesterday his country's continued importation of Russian timber and coarse grains. He acknowledged that he had encountered considerable

misunderstanding of the policy in the course of his trip through the western United States.

If he went through western United States I think this is the prize understatement, that he encountered misunderstanding.

Winding up a visit to this country and Canada with a press conference at the Waldorf-Astoria, the former foreign secretary touched on other international questions.

With regard to the possibility of war, he said that the situation in Europe "if anything, shows some improvement." He praised General of the Army Dwight D. Eisenhower's "quite remarkable leadership" of western forces, and held that "if we continue without pause or panic, we stand a very good chance of achieving our purpose of negotiating peace through strength."

Mr. President, as I said earlier, no one believes that Russia is threatening Europe, and it will not threaten any nation that has the materials she needs. She will, instead, take them over from

the inside when the time comes, if that becomes necessary.

Mr. President, as to the \$7,500,000,000, which will end up being nearer \$10,000,000,000, also the Export-Import Bank and the World Bank, and point 4, and other trick manipulations of the United States Treasury, I have a table here which is very interesting. It is a table showing the industrial production of the ECA nations from 1946 to the present time. The junior Senator from Nevada has used a similar table on several occasions on the floor of the Senate, from 1948 up to the present time. The table shows production increases year by year, on the basis of the 1937 production equaling 100 percent.

Mr. President, I ask unanimous consent that the table from which I have just read be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Recovery of the ECA nations since 1946 (as of August 1951)

[ECA nations—Index numbers of industrial production—1937=100 (except where otherwise noted)—Annual, 1946, 1947, 1948, 1949, 1950, and latest monthly figure]

	1946	1947	1948	1949	1950	Latest monthly figure	Date
Austria.....		159	190	120	142	155	March 1951.
Belgium.....	172	86	152	194	98	118	April 1951.
Denmark.....	101	116	129	118	162	161	May 1951.
France.....	73	87	102	112	113	129	May 1951.
Germany bizone.....	34	240	260	89	113	133	Do.
Greece.....	53	67	73	87	110	119	April 1951.
Ireland.....	109	117	128	139	155	149	February 1951.
Italy.....		195	199	105	119	137	April 1951.
Luxemburg.....	159	175	109	196	101	119	Do.
Netherlands.....	75	85	114	127	140	145	May 1951.
Norway.....	100	115	125	132	141	162	Do.
Sweden.....	137	141	150	156	163	176	Do.
United Kingdom.....	90	98	109	116	127	132	Do.

¹ Latest figure, which differs from report of May 5, 1950.

² Base: 1936=100.

Source: Monthly Bulletin of Statistics, United Nations, August 1951.

Mr. MALONE. Mr. President, I will sum up.

WE SHOULD AT LEAST HAVE SAFEGUARDS

Mr. President, we have created a Frankenstein's monster called ECA which, unless restrained and controlled, threatens to destroy us. Last year I introduced four ECA amendments, which would set up conditions for further aid to any Marshall plan country. The effect of the amendments would be to require each participating country to agree—

First. That any further aid from the United States would be loaned to private business through the World Bank, in line with RFC loans to private business in this country.

Second. It will guarantee the integrity of private investments within its borders against socialization, nationalization, or confiscation, as we protect investments in this country.

Third. It will join in a concerted effort with the participating countries to form a United States of Europe similar to the United States of America.

Fourth. To eliminate any currency manipulation which prevents its currency from reflecting its actual purchasing power in terms of the United States dollar on the free monetary markets of the world.

I also joined in the introduction of the Kem-Malone-Wherry-Byrd amendment which would stop our present policy of supplying many kinds of machinery and equipment and parts to countries which trade with and ship such materials on to Russia and the iron-curtain countries and other Communist areas. This provision was originally made in the Malone Senate Joint Resolution 151, which I introduced on January 24, 1950.

It is estimated that if loans were made to private industry, the amount needed would be less than 30 percent of the amount we are asked to appropriate.

Now we are handed a foreign-aid bill and told: "This is it." This is what the experts demand.

Do you remember that when the ECA was first being foisted upon our unsuspecting taxpayers, we were told that by helping Europe recover we would establish European markets for American products? That was conveniently forgotten now, and we were told that "Buy European" was the new slogan, that when unemployment hits us, as a result, they will teach our workers new jobs and put them on relief.

That was the suggestion of the then great manager and director of the ECA: That we would teach the workers how to

work at other jobs, and failing in that, we would create unemployment insurance and another WPA to take care of them.

ECA MONEY USED TO STRENGTHEN YOKE OF COLONIAL EMPIRE SLAVERY

Mr. President, our taxpayers' money is being used by the ECA in the Far East and Africa for the vile purpose of strengthening the yoke of bondage and slavery and perpetuating misery among the primitive peoples ruled and worked by imperial overlords through the colonial system.

A high British Government official has said quite frankly that the British needed American money, not for use in England, but to develop her Far East and African colonies—to be farmed for the benefit of the mother country. In condoning the French misuse of ECA moneys in the Far East and North Africa, the United States turns its back on morality and its promise to respect independent nations through the United Nations organization. Far from achieving any of its proclaimed objectives, the European recovery plan has served there only to consolidate French economic and political domination in Tunisia, Algeria, Morocco and Indochina.

CONSOLIDATING RUSSIA'S GAINS

The aid which we are sending to ECA countries is finding its way in manufactured and processed products to Russia and her satellite countries and to other areas dominated or controlled by Russia, consolidating her gains in the iron curtain countries and in China.

The Communist countries are being armed by ECA, or Marshall-plan countries, through trade treaties. I secured and introduced into the Record a list of 96 trade agreements between ECA countries and countries behind the iron curtain, including Russia, made since the close of World War II. Metal working tools, steel, ball bearings, electrical machinery and apparatus, grain mills, heavy road machinery, farm machinery, and assembled motor vehicles are a few of the many items being sent to Russia's satellite countries from ECA nations. It is the opinion of informed people that Russia cannot process and manufacture goods fast enough to keep her satellite countries contented, and without our help Russia will fail in her aggression. It is paradoxical that only with our help can Russia hold her allies and hope to defeat us—and we are giving her that help through the Marshall plan, or ECA. It is simply a manufacturing-in-transit program.

SENATE IGNORED FACT THAT COUNTRIES RECEIVING OUR AID WERE TRADING WITH RUSSIA—96 TRADE TREATIES

When I first exposed the fact that England and other Marshall-plan recipients were sending Russia war-making materials, this body, the United States Senate, did not lift a finger to stop our money and materials flowing to those countries; in fact, the Senate actually opposed the measure introduced by me, Senate Joint Resolution 151, which would have stopped our arming of Russia.

Our foreign policy is a conglomeration of crackpot ideas. There is no bipartisan foreign policy; there never has been a bipartisan foreign policy; there has been a State Department program, decided upon and settled in every instance before the Republicans of the Senate were even informed as to what was under consideration.

OUR MONEY DOWN A RAT-HOLE

As for Europe, the administration forced the ECA down the throats of our taxpayers. Billions of dollars to Europe with no conditions attached. And for what? To arm Russia, her captive countries, and Communist China—and to build factories to produce manufactured and processed goods to compete for the jobs in this country, through the administration's free-trade policy.

WHY TREAT EUROPEANS BETTER THAN WE DO AMERICANS?

If money is to be sent to foreign countries, it should be loaned to private business within those countries, conditioned upon the protection of private property, and not given to the current European rulers to perpetuate themselves in power.

We should not give our taxpayers' money outright to any foreign governments, nor loan it to foreign private business within those areas on less stringent terms than an American can borrow it in this country.

CONTAINMENT PROGRAM TURNS INTO A GIGANTIC, SILLY GIVE-AWAY PROGRAM

The containment of Russia with scotch tape and the paying of blackmail money to the nations of Europe has not worked. The folly of past actions has been demonstrated. It is high time for an effective approach to our defense problems.

Our foreign policy has been just one thing: A gigantic give-away program—without rhyme or reason—except that producers of heavy machinery and other fabricated goods in this country might maintain a superficial market abroad—and hold up a false prosperity—financed by the United States Treasury through deficit financing.

And what has it gained us?

THIRTY-SIX AND ONE-HALF BILLIONS SPENT FOR WHAT? PEACE?

For nearly 6 years the United States, under the direction of the State Department, has been pouring into foreign countries \$36,500,000,000, plus \$6,052,000,000 in military aid. It was to buy for us, and the world, peace, and for us, friendship—the kind of friendship that will take off its coat when we get into a fight.

The peace is fictional, as Korea has shown. As to the friendship which these billions are supposed to have bought, that, too, is proving illusory, as all history proves that it would.

WHOSE SIDE IS BRITAIN ON?

Will Britain help us? Whose side is Britain on, actually?

When Prime Minister Attlee and President Truman reported a meeting of minds on cooperation, what did they mean? Are we going to maintain the present Government of the British Em-

pire while it gives comfort and support to our enemy? Are we to wink an eye at England's selling war materials to Russia and her satellites while our boys are being killed with some of those war materials? Is the British stand on recognition of the Communist regime in China consistent with the Prime Minister's statement that the British flag will be found flying next to ours?

ECA MONEY HAS BEEN MISUSED

The American taxpayers are heavily burdened. Washington does not seem to understand that the great majority of Americans are having difficulty making ends meet. The American people should not be expected to carry on their backs these foreign nations while carrying the war load.

The ECA should be ended now. As a matter of fact, the ECA Act itself provides that assistance be "dependent upon continuity of cooperation among countries participating in the program." They are not cooperating.

ECA money has been misused and wasted. We have been informed of its financing night clubs and all kinds of useless things.

ECA has been used to build up foreign industries, which are enabled to compete on an unfair basis with American industries. ECA has been used as a black-jack, its regulations twisted to fit almost any purpose at the whim of its key officials.

ECA has been used to arm Russia. The junior Senator from Nevada inserted in the Record a long list of potential war materials which we ourselves sent to Russia. He also inserted in the Record a list of 96 trade treaties between the iron-curtain countries, including Russia, and the ECA countries receiving our aid. With ECA help, Russia has been receiving crude and semi-finished steel, locomotives, flat trucks, mobile Diesel electric generators, ball bearings, tool steel, heavy construction equipment, and other war materials.

The most recent trade treaty between Britain and Russia includes the shipment of three times the amount of rubber that the Russians usually receive; and as a penalty, if Russia does not receive that amount of rubber, she can cancel her end of the program.

Mr. President, in closing, I wish to say that in the opinion of the junior Senator from Nevada what we need is an American program. We need an American foreign policy. We need an American domestic policy.

In the humble opinion of the junior Senator from Nevada, 60 percent of our people in the United States are not doing very well. They are having a hard time paying their taxes and keeping their children in school. This extra \$10,000,000,000 of back-breaking taxes added to what we have already put on the backs of the taxpayers in years past, will be the straw that will break the camel's back in many of the homes of this Nation.

Mr. President, it is the opinion of the junior Senator from Nevada that one of the objectives of those who prepared the foreign-aid program is to destroy the

economic system in this country. When it is destroyed we will find ourselves in the same position in which England finds herself today. The same is true of other European nations who have Socialist governments. We will have a Socialist government on our hands. I want to say again, as I have said before, that there is no difference in the final objective of socialism, communism, and fascism. The objective of all three is to have the government owning everything and the individual owning nothing.

The difference between communism and socialism—the kind of socialism which Britain has and the kind which our national administration is trying to carry out here—is that a Communist will shoot you to bring about his goal, whereas the Socialist will spend you into it. We have been spending ourselves into destruction for 15 long years.

The Congress of the United States is a spineless Congress. It is a Congress which votes whatever the Executive wants. There is no reason for its blindly and dumbly following the Executive. Congress over a period of 15 years has become like trained seals. All that is necessary to do is to cry "emergency abroad" and immediately a bill is brought in with the statement, "This is it," and Congress passes it. The President or Mr. Acheson pulls the strings, and the dummies nod their heads.

Let us put first and foremost the best interests of America and Americans. Let the yardstick of our decision in every case be: Is this in the interest of the ultimate safety and security and well being of the United States of America? Let us adopt the policy of England and of other European nations, that we have no permanent friendships or enmities; we have but permanent interests. Our interests are to protect the welfare and security of the United States of America.

Mr. President, I am for the United States of America, just as Mr. Churchill is for England. He is the one who has said that he did not become the King's First Minister to liquidate the British Empire. I say to you that I did not become a Member of the United States Senate to dissipate and destroy the economic system of this country, which is as much a part of America as are our grand traditions, our beloved countryside and our Republic of sovereign States.

Mr. DIRKSEN. Mr. President, for the information and guidance of Senators who may wish to address the Senate this afternoon, I shall take only 2 or 3 minutes because I wish to get before the Senate an amendment which I propose to submit today or tomorrow, in the sponsoring of which a number of other Members of the Senate have joined.

First let me say that in the interesting years when I served in the House of Representatives I recall that a Representative inserted in the CONGRESSIONAL RECORD an address, delivered in Ohio, the first line of which has always fascinated me. It reads:

Nothing will ever be simple again.

That is a rather interesting confession. The junior Senator from Illinois does not propose to make it, for if nothing is ever simple again, it is only because we admit that we are getting lost in the machinery and are not trying to extricate ourselves. In no field of endeavor, Mr. President, is that so important as in the field of economy. If the Senate and the House of Representatives fail to do an impressive job in the field of economy on the ground that legislation has now become abstruse, difficult, and labyrinthian, it is a strange confession which will not register with the people of the United States.

My own feeling is that the way to economize and find the road to salvation is to cut expenditures. Tomorrow, Mr. President, or today, I shall submit an amendment to reduce the amount for economic aid in the pending bill by \$500,000,000. I am delighted and feel honored to be able to tell the Senate that associated with me in the sponsorship of the amendment are the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. McCLELLAN], the junior Senator from Idaho [Mr. WELKER], the distinguished minority leader, the Senator from Nebraska [Mr. WHERRY], the Senator from Nevada [Mr. MALONE], the junior Senator from South Dakota [Mr. CASE], the senior Senator from South Dakota [Mr. MUNDT], the Senator from Delaware [Mr. WILLIAMS], the Senator from Kansas [Mr. SCHOEPP], and the senior Senator from Idaho [Mr. DWORSHAK].

I may say now, before the day closes, that I graciously invite any Senator who seeks the light of fiscal salvation for our country, to hit the sawdust trail and join in this cooperative effort to save for the taxpayers of America \$500,000,000; I earnestly hope that the amendment will prevail.

I do not know whether other Senators share my concern about the fiscal difficulties and the menace of the suicide route. Mr. President, we lift our voices in magnificent clichés about the danger from the outside. Are we alert to the fact that America can die by suicide from within? The suicide route, the disaster route, is the fiscal route. If anyone has any doubt about it he need only lift his eyes, as did Ishmael, and contemplate what happened in Italy, contemplate what happened to the once great Republic of France, and contemplate what has happened to the other great Anglo-Saxon country, England.

Mr. President, in 1945 I sat and talked with the Chancellor of the Exchequer of Great Britain, Mr. Cripps, before the hand of disease fell heavily upon him and he went to convalesce in Switzerland. I examined the budget when I was in London. They were not aware of what the fiscal difficulties were until they changed their government, which set them on the disaster road, and which has merited an indictment from no less a personage than Churchill himself in an address to his constituency, which I propose to read in part tomorrow to the Senate.

Mr. President, I yield the floor, and I invite any of my colleagues in the Senate, who wish to help in the cause of economic salvation, to come and hit the sawdust trail and join in this effort.

Mr. SMITH of New Jersey. Mr. President, I wish to thank the distinguished junior Senator from Illinois for his courtesy in yielding the floor at this point, because he is aware of the problem which faces me, in view of the fact that, as the saying goes, I must wear two hats at the present time. I am wearing the two hats because of my membership on the Committee on Foreign Relations of the Senate. One of them has to do with the pending bill, on which I am desirous of saying a few words this afternoon. The other one is due to the fact that I am an alternate delegate to the Japanese Peace Treaty conferences, which will be held in San Francisco, and I am compelled, because of that fact, to leave tomorrow morning at 10 o'clock with a delegation headed by the Secretary of State and Mr. John Foster Dulles. That is the reason why this afternoon I desire to say a few words for the RECORD, in stating my own position on the pending measure, in order that my position may be clear to my colleagues.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). Does the Senator from New Jersey yield to the Senator from Vermont?

Mr. SMITH of New Jersey. Mr. President, I prefer to make my statement without interruption, unless the Senator wishes to ask a brief question.

Mr. AIKEN. My question has to do with the possible length of time this bill may be under consideration.

Mr. SMITH of New Jersey. Let me say that, so far as I am concerned, I believe I shall complete my remarks within the next 20 or 25 minutes.

Mr. AIKEN. Then for the time being I shall postpone any questions which I have.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. President, in opening my remarks I wish to emphasize the fact that I am giving my wholehearted support to the pending measure.

As a member of the Foreign Relations Committee, I was one of those who were in grave difficulty when this measure was proposed, because of the enormous amount of money involved, namely, \$8,500,000,000, for foreign aid. Therefore, I was one of a subcommittee of the Foreign Relations Committee which took a rapid trip throughout Europe in order to study the manner in which the \$8,500,000,000 estimate and request for authorization had been formulated, to determine what the situation abroad was.

Our subcommittee has already reported on its travels, so I shall not refer further to that trip, except to point out that in the course of a short space of time we went to Paris, London, Madrid, Athens, Ankara, Italy, Germany, and then back to France. The result of our

investigation appears in the printed document which now is on the desks of all Senators, based on the testimony, which we had transcribed, from the various persons to whom we talked. Those persons included the heads of our own missions, our own experts, particularly our own military officers, and those engaged in the economic—Marshall plan—program.

The net result, so far as I was concerned, was to make me realize, at least, and to cause me to testify to my colleagues in the Senate, that, in my judgment, in what we are doing today we are not primarily aiding those foreign countries; our major purpose is attempting to insure the safety of the United States of America. In my considered judgment that cannot be done unless we collaborate with those other nations, especially the Western European nations which at the moment have the main impact of this program, who are non-Communist and who believe in the fundamental freedoms.

Mr. President, eternal vigilance is the price of liberty, as has so well been said. Only recently I read that statement again. I never heard a better statement. Unless our vigilance is eternal, not only in Western Europe but also in the Far East and in the Middle East, and unless we think in global terms and try to see how far we are able with our own resources to contribute to the strength of the entire non-Communist world, I see grave dangers ahead. In making that statement I am thinking especially of the testimony we had from our military leaders, headed by General Eisenhower, in whom all of us have so much confidence.

So, Mr. President, I am giving my all-out support to the pending measure. I supported it in the form originally proposed by the administration except in two respects, which I shall discuss briefly. The bill as reported corrects one of those difficulties; and as to the other, before I conclude my statement I shall submit amendments which I shall ask to have printed and lie on the table, and also placed on the desks of all Senators.

The first of these two difficulties I had, which was removed by the committee, was in the amount of the authorization. The administration's bill, as originally introduced, called, as I have said, for \$8,500,000,000. The Foreign Affairs Committee of the House held extended hearings and studied the testimony and the estimates; and the House felt that in the light of our present very critical fiscal situation, an attempt should be made to reduce the amount of the bill from the \$8,500,000,000 figure; and the House finally arrived at a reduction of approximately \$1,000,000,000.

In the Senate committee we made a similar study. We took the testimony of various persons. We tried to consider where cuts could be made, if any could be made, without seriously jeopardizing the program. We arrived at approximately the same figure at which the House arrived, namely, a cut of about \$1,000,000,000.

So, Mr. President, the bill as it was passed by the House and the bill as it has

been reported by the Senate committee call for the authorization of approximately \$7,500,000,000.

In working out the Senate version of the bill, we arrived at those savings by means of a reduction of 5 percent in the estimates for straight military end-items, and a reduction of 30 percent in the so-called economic-aid items.

I am sorry that in the bill we use the expression "economic aid," Mr. President, because all of us were agreed—both those in the House and those of us on the Senate committee; and I have talked about this with my House colleagues—that economic aid, such as we understand it under the so-called Marshall plan, should not continue, and the Marshall plan should be wound up; the ECA, as we know it, should be terminated.

However, we felt that in determining our military needs, we have to think of some so-called economic items, for the express and specific purpose of building up military security. I can illustrate what I mean by a very brief reference. Our figures in regard to military items called for military end-items, such as tanks, guns, and other military equipment. These items could be procured from the United States or, in many cases, could be produced in other parts of the world. The economic end of the program is designed in every large part to provide means for countries such as Britain, France, Italy, or Belgium to use their plants for production of the military items they need in order to arm their divisions, as those divisions are developed. So, as I say, in using the word "economic" in connection with this bill I think we should have made the meaning in that connection clearer both in our report and in the other documents. I desire to say, nevertheless, that I think the report on the bill is excellent and I hope that all of my colleagues will read the report, bearing in mind that we are changing our concept of economic aid, and that both the House and the Senate committees considered it necessary to build up abroad the capacity for the production of military matériel. In the entire bill, I think only a very small percentage will go for purposes other than the production of strictly military items, as I define them, the development of military facilities, and essential economic support for these activities.

Mr. THYE. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I prefer not to yield until I conclude my principal remarks. However, I am glad to yield at this time to the distinguished Senator from Minnesota, because I believe he may wish to elaborate on the point I have been making.

Mr. THYE. I thank the Senator.

Mr. President, I have been following the remarks of the distinguished Senator from New Jersey as he has made his explanation of his position in regard to this measure, which calls for assistance to other nations in connection with helping ourselves. After all, when we help the participating European nations in the development not only of their industrial plants, but also, by means of those plants, the manufacture of the im-

plements of war which it is necessary for them to have in order to implement the Atlantic Pact, in reality we are helping ourselves, because in that way we are lessening the demands upon our own economy, and thereby we are lessening the threat of all-out inflation, by obtaining that much of the needed manpower and manufacturing facilities and implements of war in those foreign countries, rather than throwing that burden upon our own economy, which already is strained and threatened with an inflationary trend because we cannot supply the domestic needs of the consuming public in the United States.

So I believe that as we proceed to assist those countries in the development of their industries, to meet the military needs, as we proceed to align ourselves with these nations in building a military strength which the Communists will not only fear but, through their fear, will also respect, we thereby assure that the Western European area of the world will not fall under the domination and control of the Communists.

Mr. SMITH of New Jersey. The Senator from Minnesota is entirely correct in what he says, and I am glad he made those remarks, because his statement tends to bring out the point I am trying to make. I might add that we are contemplating—and this statement is the result of conversations with General Eisenhower and our other military leaders in Europe—that, in the course of probably 3 years, if we develop this program adequately, we can, so to speak, wean the baby from the bottle—the bottle being the United States—and can turn those countries loose to take care of their own defense needs. But we cannot do that, unless in this process we are aiding them to build up their industries so that they can do two things: First, produce their own military equipment, which is vital if they are to be able to fight; and, second, develop sufficient economic production so that they can actually live, in the next 2 years.

On this second point, the distinguished Senator from Nevada [Mr. McCARRAN] made clear a few days ago in a very important speech that he realizes from the separate studies he has made—and he has been very critical of the ECA—that the nation's abroad could not be expected to arm for defense and set up these divisions, unless they were reasonably assured that their economy would at least be maintained to the point where they could live. We cannot overlook that as a part of a security program. When people say we should cut out all economic aid, I say, with all respect, that they have not studied the matter sufficiently to realize that that cannot be done.

The suggestion was made that we cut out entirely the \$2,000,000,000 for economic aid, as provided in the original bill. It was then reduced to a little over \$1,000,000,000 for the European countries, and proportionately for other areas. When the suggestion was made that we eliminate all economic aid, I took the position in committee—and I was sustained—that we had to make some of the reduction in the military aid, and not reduce the economic aid

more than one-third; so we took 5 percent from the military and 30 percent from the economic aid. We then studied the other areas of the world to see whether economic aid could be eliminated as to them without damaging the very program to which the distinguished Senator from Minnesota referred.

Mr. THYE. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. THYE. I was in Western Europe in the fall of 1949. I visited many of the same countries which were visited by the committee that went to Europe within the past 6 weeks. I have followed the ECA program, as the activities under it have been reported to us in the Senate. But I realized the importance of the program and understood it much better after I visited the countries and talked to men, whether in the small villages or in plants, and to the officials of the governments of the 14 countries visited.

I came back to the United States feeling confident that, through the European recovery program, we were proceeding to protect ourselves in North America. In North America I include Canada and other countries, such as Mexico. I felt that we were better able to protect ourselves here through what was being achieved by the European recovery program. I also felt that the moneys which we had advanced toward that program were paying us a very substantial return in this respect, namely that we were building strong governments in the countries of Western Europe. They were really weak and devastated; their economies were shattered and broken following the war, at which time they had suffered occupation by enemy troops. I felt definitely that through the European recovery program we were under way to aid the countries of Western Europe in resisting communism. That belief has been vindicated by every single election which has been held in those countries since the commencement of the European recovery program.

Mr. SMITH of New Jersey. I agree entirely with the Senator. There is no doubt in my mind, from the study of the ECA operations during its first years, that France and Italy were definitely saved from going behind the iron curtain. Many persons do not realize that, but it is a fact, and it can be verified by anyone who will visit those two countries and investigate in detail what has happened.

Those of us who are advocating the economic feature of this bill are not asking for a continuation of the Marshall plan as it operated during the first 3 years. We are prepared to say that we will wind up the Marshall plan; and, in a few minutes, I intend to offer an amendment for that purpose, and for doing it immediately, and also for the purpose of combining the economic program with military aid, so that it will be a combined economic-military program, and so that we will not continue the old ECA idea any longer.

We said we were going to end it within 4 years. We are ending it in 3 years. It was estimated at the beginning that it

would cost \$18,000,000,000, but, for \$12,000,000,000, \$6,000,000,000 less, as the record will show, we have been able to accomplish what was needed on the purely economic side. Because of the Korean crisis, because of the threat of the overrunning of Europe, we realized what was needed was a new set-up and the North Atlantic Pact was drafted and agreed to, and an organization perfected under it.

Again, the problem is that of defense against the Russian menace, but we still have the economic features, as the Senator from Minnesota so well pointed out, which have to be met in connection with the purely military defense program, and the economic part of the program must be taken care of. I think that very careful study of this matter ought to be made by anyone who is considering an effort for further reduction in the amount of the economic support.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. SMITH of New Jersey. I would like to say to the Senator that I have but a few notes here and I want very much to get through with them in a consecutive way and not be diverted too much. But I am always glad to hear from the Senator from Minnesota, or any other Senator, who wants to ask questions for the purpose of clarifying some of the points as I go along.

Mr. THYE. My only reason for desiring to make the comments I have made was that when the able and distinguished Senator from New Jersey was giving us an explanation of what the committees' action had been, and of how this program had developed, it so completely coincided with my own convictions, which have resulted from my study of the question, that I felt I would like to discuss a few of the very pertinent points with the able and distinguished Senator from New Jersey as he was developing the explanation of what the committees had in mind, in connection with the various phases of the European program, both with respect to the implementation of the countries which are aligned with us in the North Atlantic Pact, and also with respect to tapering off the economic aid to those countries.

I was a soldier in France in 1918. I served in the air service. I saw some of the European area. I was in Europe again in 1949. I could fully appreciate what devastation and what ravages the war had wrought upon France, Germany, England, and the other countries with which I was familiar in 1918.

Mr. SMITH of New Jersey. The Senator saw the dangers of economic dislocation; did he not?

Mr. THYE. Oh, definitely; and I therefore realized that, without the assistance of the United States in building back their economies, a man or a woman in any of those countries could not be expected to have the courage to go forth and fight the radicals, who were endeavoring to take over those governments, because they were afraid the radicals would come into power the next year, or at the next election, and that a persecution would then be begun

against them and against their families. So the best elements in those countries did not dare enter into a critical campaign. The man with money did not dare invest his money, because he did not know whether the next election would find the radicals in power; and, if they were, they would confiscate the property. So there was an absolute standstill, both in political activities and in the economic activities of those countries, until we inspired them with new hope and courage by means of our European aid program. And that has now been augmented further by the North Atlantic Pact.

There are men and women there who, with their children, are determined to build up their countries so as successfully to resist communism, and Russia recognizes that fact. In the event the industrial potential of Western Europe were to fall to communism, in view of the great manpower strength of the communistic nations, there would be a threat to all civilization—yes, a threat to Christianity itself.

That is what impresses me in the entire program, and in discussing it with my people in my own State I tell them that it is an investment, and that I am willing to support it on the Senate floor, in spite of the tremendous overhead burden of taxation with which this country is faced and despite what we shall have to appropriate in order that our own national defense may be such that we can meet successfully the threat of communism.

Mr. SMITH of New Jersey. The Senator agrees, does he not, that we should probably think very carefully before we go below the \$7,500,000,000 at which both committees have arrived?

Mr. THYE. Having sat in on all the hearings whenever it has been possible, having studied the question from every angle, and having taken into consideration the type of leadership we have in Europe in connection with the economic as well as the military development of those countries, I feel that the sum is not excessive, nor has it been cut to a point where it endangers our program. I think the committees have done well as to the figures at which they have arrived. If we go back a moment and consider what World War II cost us in the indebtedness it imposed upon the Nation, to say nothing of the blood of the youth of America which was spilled on the battlefield, we must realize that if we can in some manner build the Western European nations to a point where they can resist, and we can keep Russia from invading Western Europe, time is on our side in breaking down the communistic control of those countries.

If we can avoid world war III and the tremendous expense, both in manpower, resources, and dollars and cents which would be involved, if we can avoid that by an investment of \$7,500,000,000, if that will assist us in avoiding an all-out world war III, it will be one of the cheapest investments which we can possibly make.

It is for those reasons that I support the program and have supported it over the years.

Mr. SMITH of New Jersey. I will say to the distinguished Senator from Minnesota, that what General Eisenhower has done in the past months has, at least to my mind, and, I think, to the minds of those who were abroad, satisfied us on this point. The question as to whether the Western European people, in the light of their marginal economic conditions, and their discouragement as a result of the devastation of the last war, would be willing to set up their own ground forces, is the big point in which we are interested. We want to see Europeans defending their own homelands. That is what General Eisenhower has inspired in them—the willingness and the moral strength to organize their own divisions. Our part of that proposition includes granting economic aid to equip their own plants. It cannot be done all at once. We must be patient; we must not expect too much.

General Eisenhower gave reasonable assurance that the United States would stand behind them if they would organize divisions, and we would do the equipping end of it to start the program going. We should be able to help them get started and then, at the appropriate time turn them loose on their own to take care of their own defense.

Mr. THYE. I thank the distinguished Senator for allowing me to interrupt him.

Mr. SMITH of New Jersey. I thank the Senator for his fine contribution, because it tends to bring out not only the part played by so-called military end items in the program but also the essential supplementary part which economic aid plays in building the whole program. Our program now is a defense program, and I hope there will be no further cutting of the amount we recommend for that purpose.

The second major point on which I had difficulty, the problem of administration of the program, is one on which I could not bring myself to be in full accord with the report of the Senate committee. I blame myself for this, because I was unfortunately called away when the committee was starting a study of the administrative set-up. I wanted to present at that time a number of studies which had been made as to the best way to establish the whole operation for economy and for efficiency. Our committee and the House committee were convinced that there was overlapping of jurisdiction in Europe. The State Department had one agency and the ECA had another, and they were running hither and yon, and the question was, What was to be done about it?

It so happened that 6 months ago a committee of interested and distinguished civilians in the United States was established, with Dr. Conant, president of Harvard University, as chairman. It was called the Committee on the Present Danger. They decided that they, as a group of businessmen, and eminent students of the problem, we might say, would study the whole question. They sent a special representative to Europe, a man whom I know very well, to study the organization. The commit-

tee returned with a strong recommendation that the way to deal with the situation was through a one-man administration.

From the time I read their report, and from my talks with General Eisenhower, General Gruenther, ECA officials, and State Department officers, I became convinced that the committee was on the right trail. So I offered an amendment to the bill which we were discussing, which was on all fours with the reports which had been made by the Committee on the Present Danger, and it was also very similar to the approach approved by the House.

I shall not go into the details now. Unfortunately, as I have said, I was called away and could not be present when the committee finally studied the subject. The bill as reported does not take the one-man administration position. It still leaves the multiheaded arrangement. Possibly it may work all right, but I do not think I would be fulfilling my responsibility if I did not bring to the attention of my colleagues in the Senate what I consider to be the advantages of this one-man administrator idea.

Therefore, I shall presently present amendments which I shall ask to have printed and put on the desks of all Senators. I am happy to say that in presenting them I am joined by the distinguished Senator from Ohio [Mr. TAFT], by the distinguished Senator from Illinois [Mr. DOUGLAS], and by the distinguished Senator from Tennessee [Mr. KEFauVER]. All these Senators thought we should get the one-man idea before the Senate to consider. I shall be unable to be present to offer the amendments for a vote, but at the very least they can be presented for the RECORD to show that some of us are in favor of a one-man administration.

I am hoping that the amendments may be taken to conference, and that in conference it may be possible to work out a plan to meet the views of both Members of the House and of the Senate. I have talked to Members of the Senate about the matter, and am simply making a record now, because I do not want anyone to feel, should I be a member of the conference committee, that I am going back upon any action taken by the Senate. I think the position taken in the committee bill on this question is a debatable one. What we want is a centralization of authority that will insure economy, speed, and efficiency.

So, Mr. President, I ask that at the conclusion of my remarks today there be inserted in the body of the RECORD, first, what is called a Statement on Foreign Aid, presented by the Committee on the Present Danger, which develops this whole idea in more detail. It is the result of the study that I mentioned, including the special investigation abroad made by Mr. G. H. Dorr, whom I have known for years. He was the representative of that committee going to these countries abroad and studying these different interlockings and the best way to work out the matter. That is my first request for insertion at the conclusion of my remarks.

My second exhibit which I should like to have appear at the conclusion of my remarks is a statement on this whole matter which I requested from Mr. Tracy S. Voorhees, who was formerly Under Secretary of the Army. He has done a great deal of work in connection with military operations, so he certainly would be prejudiced in favor of the military side of this matter. He also is the vice chairman and executive head of the committee making the study which I have been discussing.

Mr. President, I think those two discussions are so clear-cut and cover the whole field so thoroughly that they should appear in the RECORD, in connection with my remarks on this subject.

The PRESIDING OFFICER. Does the Chair understand the Senator to make a unanimous-consent request at this time that the two items appear in the RECORD?

Mr. SMITH of New Jersey. I ask unanimous consent that the two documents be published in the RECORD at the conclusion of my remarks. I do not want to embody them in the middle of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits A and B.)

Mr. SMITH of New Jersey. Mr. President, as I stated a few minutes ago, my original intention was to offer the amendments and then have them acted on in the usual way. I cannot do that because I am called to go to the Pacific coast tomorrow with the delegation dealing with the Japanese Peace Treaty. But I feel that if the two amendments are on the desks of Senators some of my colleagues may feel that in the course of the debate it will be wise to call them up and that they be acted upon. They follow very closely the House version. There are a few changes, but they are close enough to the House version so that I am sure that, should they be adopted, there will be no difficulty in getting together with the House on the final bill. As I said, two Republicans and two Democrats are supporting the amendments, so they constitute an entirely bipartisan approach.

That, Mr. President, is what I wanted to present to the Senate today before I go on my other mission, pointing out that I am wholeheartedly supporting the pending bill, but with the deduction of about \$1,000,000,000 from the total budget request, so that the amount will be \$7,500,000,000. I believe from my studies and contacts with people concerned with this operation that we can live with that amount. We have got to think in terms of economizing these days. I have had long talks with the senior Senator from Georgia [Mr. GEORGE] and with the junior Senator from Colorado [Mr. MILLIKIN] on our side of the aisle, and I am convinced from what they tell me that we are in grave danger of serious inflation if we get to the place where we have an unbalanced budget. Therefore, in spite of my loyalty to this cause, I have leaned over backward to see if we cannot save a billion dollars out of this program. I believe we can, but I hope sincerely there will be no

attempt made to reduce the amount further. The problem has been very carefully studied and we need the support of the entire Senate in going through with this matter, and especially in giving General Eisenhower a vote of confidence at this time, to show that we are behind him and that we are going to give him the means of implementation of his work in trying to set up those divisions in Europe—in making a collective defense program for the Atlantic area.

In making this European organization thought is being given to bringing the Germans in. In all those things progress is being made. But the question behind all this is: What is the United States going to do about the matter? We are going to give support. As many have said, however, we cannot go on indefinitely pouring out funds. Yet I believe that the contemplated 3-year program is in line with what should be done, and I have confidence it is in line with the setting up of a defense that can really meet the danger of a Russian aggression.

My final word is an appeal for this bill, with those two changes—the one in amount and the other to consider at least, in our deliberations in the next 2 days, the one-man set-up. I have placed material in the RECORD so everyone may know what the arguments are in favor of such a set-up. I am fully aware of arguments made on the other side that the one-man set-up is not wise.

Mr. President, I send to the desk in behalf of myself, the Senator from Illinois [Mr. DOUGLAS], the Senator from Ohio [Mr. TAFT], and the Senator from Tennessee [Mr. KEFAUVER] amendments to the committee amendment to the pending bill. These amendments have two purposes. The first and principal purpose is the creation of a one-man Mutual Security Administration to supervise the military and economic aid programs with the exception of the point 4 program. This agency would take over from the ECA, which would immediately cease to exist. The new agency would definitely end on June 30, 1954.

The second and subordinate purpose of these amendments is to raise the flexibility clause from 5 percent to 10 percent. What I mean by that is that we have a clause in title I of the present bill, the title which has to do with the Western European Atlantic Pact group of countries, which provides, that the President can shift 5 percent of the funds appropriated for Europe from the military to the economic appropriation, or from the economic to the military. I think in light of reducing the over-all total authorizations from \$8,500,000,000 to \$7,500,000,000, it would be wise to increase the discretionary flexibility, which could only be used to back up General Eisenhower, from 5 percent to 10 percent. If it seems wise to put a little more of the military money into production plants in Italy and France, for instance, we may be able to do so more readily under this amendment.

Mr. President, on behalf of myself, the Senator from Illinois [Mr. DOUGLAS], the Senator from Ohio [Mr. TAFT], and the Senator from Tennessee [Mr.

KEFAUVER], I submit the two amendments, and ask that they be printed and lie on the table, and that the amendments may be printed in the RECORD at this point.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table, and, without objection, will be printed in the RECORD at this point.

The amendments are as follows:

On page 46, beginning on line 10, strike out subsection (b) and insert in lieu thereof the following:

"(b) Not to exceed 10 percent of the total of the appropriations granted pursuant to this section may be transferred between appropriations granted pursuant to either paragraph of subsection (a) whenever the Administrator determines that the funds so transferred will, by virtue of such transfer, be more effective in fulfilling the needs determined and certified by the Secretary of Defense pursuant to section 503 (a) of this act: *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the Administrator makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives."

On page 54, beginning on line 15, strike out from line 15 through line 11 on page 55 and insert in lieu thereof the following new matter:

"MUTUAL SECURITY ADMINISTRATION

"SEC. 501. (a) There is hereby established, with its principal office at the seat of the Government, an agency to be known as the Mutual Security Administration, hereinafter referred to as the Administration. The Administration shall be headed by a Mutual Security Administrator, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be responsible to the President. The Administrator shall have a status in the executive branch of the Government comparable to that of the head of an executive department, and shall receive compensation at the same rate.

"(b) There shall be in the administration a deputy mutual security administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the same rate as that payable to an under secretary of an executive department. The deputy mutual security administrator shall perform such functions as the administrator shall designate, and shall be acting mutual security administrator during the absence or disability of the administrator or in the event of a vacancy in the office of administrator.

"SEC. 502. (a) Except as otherwise provided in this act, there shall be transferred to the administrator the powers and functions conferred upon—

"(1) the administrator for economic cooperation by the Economic Cooperation Act of 1948, as amended, and other public laws, except that the powers and functions conferred on him by the Far Eastern Economic Assistance Act of 1950 and by sections 115 (i) and 117 (a) of the Economic Cooperation Act of 1948, as amended, shall be vested in the President.

"(2) The President by the Mutual Defense Assistance Act of 1949, as amended, and the Act of May 22, 1927, as amended, except the

power to conclude international agreements, the power to make appointments by and with the advice and consent of the Senate, and the powers enumerated in section 408 (c) of the Mutual Defense Assistance Act of 1949, as amended; and, in the case of aid to countries covered by titles II, III, and IV of this act, such powers and functions as the President shall direct to be exercised by the Secretary of Defense.

"(b) The following agencies and offices shall cease to exist:

"(1) The Economic Cooperation Administration and the offices of Administrator and Deputy Administrator for Economic Cooperation;

"(2) The office of United States Special Representative in Europe and of Deputy United States Special Representative in Europe created by the Economic Cooperation Act of 1948, as amended;

"(c) Any personnel, upon the certification of the Administrator that such personnel are necessary to carry out the functions of the Administrator, and all records and property which the Director of the Bureau of the Budget determines are used primarily in the administration of the powers and functions transferred to the Administrator by this act, shall be transferred to the Mutual Security Administration; *Provided*, That personnel transferred pursuant to this subsection shall continue to enjoy the same civil service status as they had prior to transfer.

"SEC. 503. (a) In the case of aid to countries eligible for assistance under title I of this act, including Greece and Turkey, the Secretary of Defense shall determine, and certify to the Administrator from time to time, the needs of such countries for military end items and military facilities to carry out programs of individual and collective self-defense approved by the United States Government. The Administrator shall be responsible for making continuing studies of the capacity of such countries to produce military end items for themselves and for each other, and shall take all necessary and reasonable action (including necessary assistance pursuant to section 101 (a) (2) of this act) to assure the maximum production of such items by such countries, consistent with the security interests of the United States as determined by the Secretary of Defense. Any such items which the Administrator concludes cannot be produced by such countries, or which the Secretary of Defense determines should, in the interest of national security, be produced in the United States, shall be procured by the Secretary of Defense; and the Secretary of Defense shall be responsible for the delivery of such items and for assuring their ultimate use in accordance with military programs approved by the United States Government. For the purposes of this act the term 'military end items' means such goods and services and related technical assistance, advice, and training as the Secretary of Defense determines are required for direct military use by the Armed Forces receiving such materials.

"(b) In accordance with the provisions of the above subsection, the Secretary of Defense shall have primary responsibility and authority for—

"(1) the determination of military end item requirements;

"(2) the procurement of military end items;

"(3) the establishment of priorities in procurement and deliveries and the allocation of military end items between services and countries;

"(4) the supervision of end item use by the recipient countries;

"(5) the supervision of the training of foreign military personnel; and

"(6) the movement and delivery of military items.

"COORDINATION OF ACTIVITIES"

"Sec. 504. In order to strengthen and make more effective the conduct of the foreign relations of the United States, and to carry out the purpose of this act—

"(1) the Secretary of State, the Administrator, and the Secretary of Defense shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

"(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision;

"(3) whenever the Secretary of Defense believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the military security objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision; and

"(4) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State or the Secretary of Defense in performing functions under this act, is inconsistent with the purpose and provisions of this act, he shall consult with the Secretary of State and the Secretary of Defense as appropriate and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"MEMBERSHIP IN OTHER AGENCIES"

"Sec. 505. (a) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (50 Stat. 512), is amended by striking out 'Economic Cooperation Administration' and inserting in lieu thereof 'Mutual Security Administration' and by striking out 'Administrator for Economic Cooperation' and inserting in lieu thereof 'Mutual Security Administrator.'

"(b) Clause (6) of the fourth paragraph of section 101 (a) of Public Law 253, Eightieth Congress, as amended, is hereby further amended by inserting after 'Munitions Board,' the following: 'the Mutual Security Administrator so long as the Mutual Security Administration shall continue to exist,'.

"(c) For so long as the Mutual Security Administration shall continue to exist the Administrator shall be a member, ex officio, of the Board of Directors of the Export-Import Bank of Washington, established by the Export-Import Bank Act of 1945 (12 U. S. C. 635).

"REGIONAL MUTUAL SECURITY REPRESENTATIVES"

"Sec. 506. (a) There shall be a United States Mutual Security Representative in Europe who shall (1) be appointed by the President, by and with the advice and consent of the Senate, (2) be entitled to receive the same compensation and allowances as a chief of mission, class 1, within the meaning of the act of August 13, 1946 (22 U. S. C. 801-1158), and (3) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator and receive his instructions from him, and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to among the Administrator, the Secretary of State, and the Secretary of Defense in order to assure appropriate coordination as provided by section 503 of this title. He shall coordinate the activities of the chiefs of such special missions provided for in

section 507 of this title as may be placed under his jurisdiction by the Administrator. He shall keep the Administrator, the Secretary of State, the Secretary of Defense, the chiefs of the United States diplomatic missions, and the chiefs of the special missions provided for herein fully and currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this title.

"(b) There shall be a Deputy United States Mutual Security Representative in Europe who shall (1) be appointed by the President, by and with the advice and consent of the Senate; (2) be entitled to receive the same compensation and allowances as a chief of mission, class 3, within the meaning of the act of August 13, 1946; and (3) have the rank of ambassador extraordinary and plenipotentiary. The Deputy shall perform such functions as the United States Mutual Security Representative in Europe shall designate, and shall be Acting United States Mutual Security Representative in Europe during the absence or disability, or in the event of a vacancy in the office, of the Representative.

"(c) The Deputy United States Representative North Atlantic Council and the United States Mutual Security Representative in Europe shall keep each other fully and currently informed concerning their activities.

"(d) When necessary to carry out the purpose of this act, the President is authorized to appoint not more than three additional Mutual Security Representatives and three Deputy Mutual Security Representatives for other regions in accordance with the applicable provisions of subsection (a) of this section. Any Mutual Security Representative appointed pursuant to this section shall be entitled to receive the same rank, compensation, and allowances as the highest ranking chief of any United States diplomatic mission in the region.

"SPECIAL MUTUAL SECURITY MISSIONS ABROAD"

"Sec. 507. (a) Except as provided in subsection (e) of this section, the Administrator may establish in each country receiving assistance under this act a special mutual security mission under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this act. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country; and the chief of the special mission shall be entitled to receive the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the act of August 13, 1946, or compensation and allowances in accordance with section 501 (d) of this act, as the Administrator shall determine to be necessary or appropriate.

"(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country, and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on

the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission and the United States Mutual Security Representative. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision.

"(c) With the approval of the Secretary of State the Administrator may, if he deems it appropriate, direct that the functions of the chief or deputy chief of the special mission in any country be assumed by the chief of the United States diplomatic mission in that country. In such cases the chief of the diplomatic mission shall report to the Administrator, and shall receive directions from him, with respect to carrying out functions relating to the purpose of this act.

"(d) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Mutual Security Representatives and their staffs, and for each special mission, as may be agreed between the Secretary of State and the Administrator.

"(e) With respect to any of the zones of occupation of Germany and Austria and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purpose of this act."

On page 55, line 13, renumber section 503 as section 508.

On page 56 strike out all after line 21 through line 16 on page 57.

On page 57 line 18 renumber section 505 as section 509.

On page 57, lines 22 and 22, strike out "by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604)" and insert in lieu thereof "on the Administrator by this act."

On page 58 strike out all after the word "authority" on line 12 through "amended," on line 13, and insert in lieu thereof the words "of the Administrator under this act."

On page 58 strike out all after line 18 through page 59, line 11, and in lieu thereof insert the following:

"(c) Section 122 of the Economic Cooperation Act of 1948, as amended, and subsection (d) of section 405 of the Mutual Defense Assistance Act of 1949, as amended, are hereby repealed."

On page 59, line 13, renumber section 506 as section 510.

On page 60, line 11, strike out section 507 and insert in lieu thereof the following:

"Sec. 511. All provisions of this act except sections 502 and 508 shall take effect upon the date of its enactment. Section 508 shall take effect 90 days thereafter, and section 502 shall take effect on such date, not more than 60 days after the date the Administrator first appointed takes office, as the President shall prescribe."

Beginning on page 60, line 14, renumber all the remaining sections to conform with the foregoing amendments.

On page 63, line 18, and on page 64, line 3, strike out "President" and insert in lieu thereof "Administrator."

EXHIBIT A

A STATEMENT ON FOREIGN AID BY THE COMMITTEE ON THE PRESENT DANGER

WASHINGTON, D. C., June 18, 1951.

Based on a thorough, non-partisan, objective study which it has submitted today to the Congress and to the national administration, the Committee on the Present Danger believes that an appropriation of the general order of magnitude of the \$8,500,000,-

000 proposed by the President for foreign aid to resist Soviet aggression should be adopted as quickly as possible.

Quick and decisive action by the Congress would be the most effective notice to Russia that the free world is determined to remain free at any cost. We are convinced that America has the ability to supply these funds without danger to its economy. We believe it is in the highest interest of American security that they be provided at once.

Military aid and economic aid are, under present conditions, essentially the same. They are now parts of one program: to make our allies in all parts of the world strong enough to stand together and prevent the spread of aggression.

Both forms of aid should be administered by the same agency, which should not be a part of any existing Government department. In it should be placed the administration of all existing economic and military aid as well as the point 4 program. It should take over the functions and personnel of the Economic Cooperation Administration and of the units of the State Department engaged exclusively in this work.

The two kinds of aid are inseparable. Both are really economic assistance; but both are principally for a military purpose. One consists largely of military equipment produced in the United States and the other is for the most part assistance to make possible greater military production in the recipient countries. It is only through one agency handling both kinds that waste and duplication can be avoided, and intelligent, effective coordination made possible.

A single agency can better answer the many questions which have to be answered: the extent of the need in each country; whether that need can be filled better by military items or by civilian items; the extent of the ability of each country itself to produce and service items, military or civilian; the ability of our own resources to supply the needs, and the best way our resources can be so used in any particular area; what help can be interchanged between two foreign countries themselves. These questions—difficult as they are—should not be made more difficult by splitting and duplicating responsibility in budget making and administration.

Of course the single agency must operate within the broad limits of our foreign policy, which is the responsibility of the State Department, and within the military policy laid down by the Department of Defense, but its administration at home, and through its offices abroad, should be independent, as ECA has been.

Under this plan the Defense Department would still do in effect what it is now doing. All funds for procurement of military items in the United States would continue to be allotted to the Defense Department for procurement through its regular channels.

Our foreign aid, since the close of the war, has prevented the economic collapse of nations which now stand at our side in the fight against communism. Without it, the people of many of those countries would have lost their freedom through the spread of Communist doctrine. Those peoples have been saved mentally, spiritually, and economically. We must now help them save themselves physically against aggression. That is the mission of General Eisenhower in Europe. Unless we back him up with the weapons of war, the armies which he commands will be helpless. And if those nations should fall before a Soviet attack, we know what a dangerous and unbearable future we Americans would face.

Bold action now in the form of military and economic aid will—

1. Continue to bolster the morale of the beleaguered people of Western Europe and defeat the communist propaganda which now seeks to divide and conquer them.

2. Provide the military strength in Europe which will discourage the Soviet Union from attack—or provide successful resistance if it does attack.

3. Enable countries in other parts of the world better to help themselves, especially so as to assist them to provide the strategic raw materials so necessary to defense.

4. Enable the free peoples of the world to carry out their will to live in democratic peace.

This is not primarily a project of humanitarianism. It is a project of self-interest for America—of the highest and most pressing urgency. This is the best means of self-defense. While we are gathering our strength in arms and in manpower, let us again show our allies and our enemies our unshakeable determination to see this thing through from now on—to do whatever is necessary to avert a major war and to maintain freedom in the world.

The unanimous report of our subcommittee on Foreign Aid and a statement of the objectives of our committee are attached.

COMMITTEE ON THE PRESENT DANGER,
JAMES B. CONANT, *Chairman*.
TRACY S. VOORHEES, *Vice Chairman*.

REPORT OF THE SUBCOMMITTEE ON FOREIGN AID OF THE COMMITTEE ON THE PRESENT DANGER

This report deals with (a) the need to transfer a portion of the resources of the United States to supplement those of other nations to effect vital common objectives, and (b) how the United States can best administer appropriations made for such transfer.

The conclusions we are here expressing are based on an examination, the results of which are set forth in much more extended form in a separate study.

THE PROBLEM AS WE SEE IT

What we are now considering is the transfer of resources to enable the other nations to do more toward our common objectives of security than their own economic resources would permit.

During the past 11 years we have provided foreign aid in the form of food, materials, equipment—military and otherwise—and credits. But for such transfer during World War II, the civilian economies of England and other allies could not have been sustained. They could not have put in the field the armies that they did.

In 1948 Congress felt that it was necessary to systematize the effort to rebuild the economic strength of European nations whose fate was felt to be interdependent with our own, so that these nations could resist Communist subversion and again play an effective part in the community of nations. This aid so stimulated the efforts of the stricken countries that there was promise that, earlier than Congress had anticipated, there might be no necessity for continuing it.

Instead, the development of the atom bomb by Russia, and the rising threat of armed aggression, have imposed a new strain on the resources of the European countries which have bound themselves together with us for common defense in the North Atlantic Treaty. Instead of the economic gap being closed, it has again been widened by the new need of great outlays for defense of freedom against armed aggression.

Further, Greece and Turkey, not yet parties of the North Atlantic Treaty, and other countries, still need assistance to support civilian economies and equip armies, both essential to the common security.

Recognizing this new armed threat, Congress in September 1950 stepped up its appropriations for foreign aid greatly; furnishing \$4,000,000,000 largely in military items.

Further, the rising tide of Russian imperialism has now engulfed a vast area of Europe and Asia from the Elbe to the Pacific. With its threat to overflow all the boundaries of the tremendous periphery of this area, there has also come to be a sense of the common interest and interdependence in peril of substantially all other areas of the world. That threat is not alone of military action. It is also of subversion. And it is effective even at distances physically remote.

Underdeveloped countries, with standards of living so low as to be intolerable in other areas, are such danger spots. But, given the application of new techniques and some inflow of capital, these countries are capable of making a vast and needed contribution to their own welfare and that of the rest of the free world. Aid to them to increase their production of strategic and other raw materials, stocks of many which are diminishing, can be of vital help to them and the common effort. This problem is one of long range and of a magnitude not to be dealt with in a day. But Congress has recognized it in modest appropriations for technical assistance, and, indirectly, through capital contribution to the International Bank and through appropriations to the Export-Import Bank.

The current world situation confronts the Congress and the Nation with the necessity for a decision as to whether we shall reinforce our present policy—national and bipartisan in its genesis and execution—to prevent the undermining of the whole structure for security which we have reared with so much effort and sacrifice and make positive efforts to build the foundations on which a structure of enduring peace alone can rest.

If it is our Nation's decision to do so, then, within our ability, appropriations adequate to effectuate it, are essential.

It is our belief that world war III can be averted only by confronting the aggressor with a strong free world. Korea has underlined the need for this. It is, therefore, a matter of paramount importance that we should go through with our present bipartisan national policy of building up joint European defense forces at the earliest possible date. At the same time, economic strength must also be built because it is not only an essential component of military strength, but also the most effective defense against Communist aggression from within.

To create a strong free world will require that all the nations concerned make full use of their resources to help themselves and to help each other. The United States is by far the strongest nation. As such it is called upon, in its own and the common interest, to furnish the other nations—within its ability and other needs—such aid from its resources as may be required to—

(a) Enable its allies to create and maintain planned military forces larger and more effective than their resources would otherwise support, and equally important, the economic strength essential both for military power and for morale (since we are a member of an alliance, the effectuation of the mutually planned defense of our allies is as much a part of our own defense as is our more direct United States military expenditure);

(b) Counter subversion in vital areas;

(c) Secure an essential increase in production of certain strategic or other raw materials in certain areas for our own and the common use;

(d) Furnish some temporary refugee and famine relief;

(e) Increase productivity by technical assistance and otherwise in economically backward areas whose progress is a vital part of the effort essential to win the peace.

This report attempts to deal with basic principles rather than the precise amounts that may be needed for specific areas and purposes.

In our separate detailed study we discuss possible yardsticks that may be applied to determine the existence and measure the extent of such needs. The fundamental of the matter is to ascertain whether, for other nations to accomplish results which we regard as essential to the common security, there is a gap beyond what they can do with their own resources; and if so, what is the extent of such economic gap.

OUR ECONOMIC ABILITY

Have we the economic ability to furnish such resources? We believe that the amount of this security expenditure proposed by the President can be met. This view finds strong support in recent reports of the Office of Defense Mobilization. We develop the matter further in our study, but note here that the total sum requested is only 12 percent of our budget for national security and is just as truly a necessary defense expenditure as the appropriation for our own forces. Its purpose is not only foreign aid but American defense.

Without endorsing any specific amount as requisite, it seems apparent that an appropriation of the order of magnitude proposed by the President is an essential step toward carrying out the plans we have joined in formulating under the North Atlantic Treaty and also the successful conduct of the broader struggle for survival in which we and the rest of the free world are engaged. The consideration of supreme importance is that this country furnish the aid required for these purposes. We recommend accordingly.

ORGANIZATION

We come now to the secondary question—that of organization. The administration of foreign aid is a novel function which does not fit into the traditional pattern of any of our long-established departments. This was recognized in the Marshall plan as to our then major effort. The same principle, in our opinion, applies equally to the whole of the aid program we are now planning.

THE EXISTING SPLIT IN ADMINISTRATION

At present the responsibility is split up primarily between the Economic Cooperation Administration and the State Department. This has led to the administration of economic assistance by different organizations in the same area under different appropriations—particularly the ECA and State Department. Also a type of assistance which one organization has handled successfully in certain areas may be initiated and administered in other areas by a different organization.

The present division in administration has come about in this way:

(a) In 1947 Congress appropriated funds for what it described as "financial and economic assistance" to Greece and Turkey. This included military equipment as well as other forms of such assistance. The administration of this appropriation along with certain temporary relief funds in certain other areas was placed by the President, under discretion given him, in the State Department.

(b) In 1948 we embarked on a large scale program of cooperative assistance to be rendered over a period of years and involving billions of dollars. Congress, after careful consideration, and in accord with important extra-governmental opinion, determined that the administration of this novel function should be in a new temporary and independent organization rather than in the State Department or any other existing Department. Accordingly, the Economic Cooperation Administration was set up as an independent and coordinate organization.

(c) By way of exception to this general plan for the administration of such assistance, the Army continued to administer progressively smaller appropriations in progressively narrowing occupied areas. Further, the State Department, under assignment by the President, continued to administer relatively small appropriations for economic assistance to Greece and Turkey, in the form of military equipment procured in the United States. This, though it may have been an anomalous function for the State Department to perform, resulted, by reason of its minor scale, in no important conflict with the administration of the broader program of economic assistance in the same areas.

(d) The mutual defense assistance appropriation in 1949 for aid to North Atlantic Treaty countries was assigned by the President to the State Department. With the enormous post-Korean increase in such appropriations, the split in the administration instead of being minor became major both in extent and seriousness. The industrialized areas of Western Europe, unlike Greece and Turkey, were capable of producing military equipment, and there were strong reasons for seeing to it that much of it was produced there. Whether it was practicable and preferable to produce an item or part of it there or in the United States involved knowledge of the European economies and questions of financing. Further, the question of the existence and extent of the economic gap and the best way to fill it was an over-all question which could not be properly answered and budgeted independently by two separate organizations, State Department and ECA, administering two separate appropriations for assistance.

(e) Congress in 1949 made a significant approach to the pressing but long-range problem of productivity in the underdeveloped areas—a problem vital to them, and to us, in our objective of a free and peaceful world. But administration of this new appropriation for this purpose was placed in the State Department instead of in the economic organization already engaged extensively in that type of work.

We now have a new campaign to fight. We need the organization best adapted to win it. The present split in administration becomes more serious and the reasons for new measures to end it more pressing.

Persistent and useful cooperative efforts have been made by those actively engaged at top level to overcome the difficulties inherent in the existing split in administration. There have been various useful devices such as the operation of a coordinating committee including State, Defense, and ECA, among others.

A wide range of further modifications in organization for administering the proposed appropriations have been under discussion in the Government and by the public. Naturally and properly, Congress is looked to for the final determination as to the form of administration which it believes will most effectively apply the appropriations it makes. No doubt all concerned will lend their best endeavors to effectuate its decision.

In this fluid situation we venture to advance the conclusions we have arrived at from our own observation of the matter.

We recommend (a) a single appropriation for foreign aid administered by a single agency of the Government, and (b) that such agency be independent of, though cooperating closely with other departments.

A. Unification of administration

The particular need in particular areas for assistance from our resources may vary widely. The form in which we can best apply that aid may also vary widely. But we are dealing with a single function and a single test. Are there things which, for mutual

security, it is imperative should be done in and by other nations, which are beyond their unassisted economic ability to do? What is the measure of the additional resources which would enable these things to be done? Is it within our economic ability to provide such assistance from our resources, in view of the other demands upon them and within the general policies of Congress and the Executive? In what varying forms can they be supplied most effectively in a particular area?

The examination of these related questions, tying them together in the formulation of budgets, and programming the funds appropriated by Congress is a difficult enough task at best. It is desirable to center and fix rather than diffuse or split responsibility for getting it done.

It would ignore these fundamentals of the task to attempt to split up its administration on the fortuitous basis of the extent to which the assistance found necessary is actually furnished in the form of military equipment or in other forms.

The initial determinations have first to be made (1) as to whether there is an economic gap which reasons of mutual security require to be filled and (2) its extent.

To make each of these determinations soundly requires knowledge and review of the situation in the various areas looked at separately and as a whole. To attempt to duplicate such fundamental determinations by different administrations, one dealing with military end items and one dealing with technical or other forms of economic assistance, would not appear sound administration, even if it could be done. As a practical matter, neither of two administrations, each charged with using a particular form of economic assistance to fill a gap in the economic resources of a particular nation, could know the extent to which it needed to extend its form of assistance without first knowing what the extent of the whole gap was and to what extent it was being closed by the other. If we undertook to apply the whole amount of the assistance by taking over the equipping of a nation's troops, the resulting freeing of its economic resources for the civilian economy might well enable it to pay for all needed raw material, technical assistance, and other equipment. And, in reverse, if we applied our aid entirely in the other forms, such nations might well be able to pay us for any military end items needed to be produced in the United States. Attempts to deal with such a situation solely by cooperative efforts hardly seem a satisfactory substitute for single administrative responsibility to make such determinations promptly and to make them in a way to best effectuate national policies.

That so-called "military aid" is essentially a form of economic aid has come to be generally recognized. Under the original Greek-Turkish Assistance Act, military equipment, military and civilian supplies and credits were furnished. Congress was right, as we have pointed out, in describing all aid in that act as "financial and economic assistance." Now in Europe, under the economic strain of an enlarged troop basis it may well be said that all the assistance for which appropriations are being asked is in one sense military aid, as well as being economic aid. The immediate occasion is military—the means to this end in whatever form are economic. It would seem desirable to furnish this assistance in a single appropriation and to provide for flexibility in its administration by a single agency.

To do this job, as to Europe, the first step is to appraise the extent of the aid needed to maintain (1) the agreed troop basis and, equally important, (2) the essential supporting economies beyond the amounts which

their resources enable the recipient nations to furnish for themselves. This is a task for a unified administration with economic missions in the various countries, enabling it to gauge available economic resources.

A second step which again seems to call for a unified administration is the determination as to what military supplies and equipment can be produced in Europe. Clearly with the present burden on our economy, as well as for morale reasons, full utilization of European productivity should be made. What should be done is to produce in Europe to the full extent economically efficient to do so, and to supplement this by United States production where advisable for security, time table or other special military reasons. Further, if large amounts of United States procured items are to be included, Europe needs to build up industrial facilities for servicing of such equipment.

Again, for another reason, there should be no separation in over-all administration as between complete military end-items on the one hand and so-called economic aid on the other. Under an imaginative administration much equipment needed should unquestionably be composed of parts produced in the United States and other parts produced in Europe and assembled there. A single administration of the entire fund should be better able to exploit these opportunities to conserve the common resources.

Again, such a unified administration might well be able to accelerate European production of various items by making or providing for direct contracts in Europe for their production. By such contracts, financial aid, and financing mechanisms, it should be able to bring into fuller use the idle manpower and idle facilities in some European areas.

Other vital factors emphasizing the need of a unified administration are the necessity for over-all world planning for the necessary production, recognizing the interdependence of the various areas referred to above. Just as ECA in Europe has been able to furnish much of the aid for certain nations by arrangements with other recipient countries, so on a global basis a unified administration could achieve an efficiency and economy in the program now before us which could not be expected of a split-up administration. The placing of the administration of all foreign aid in a single agency would give a far stronger position with the respective countries, when occasion requires it, as to the measures each would take for the common security. If a foreign country was to go to separate agencies, it naturally tends to maximize its demands to each. Unification should both speed up the result and decrease the ultimate cost to the United States.

Finally, we are engaged in a crucial task in underdeveloped areas. In some of these it is touch and go whether the situation may not set off a world explosion. We are endeavoring to build up their strength. We have already referred to the vital importance of building up their raw material output. The amounts we are applying are relatively not large as compared with the whole program. But perhaps in no area can a dollar, if properly applied, go further. A unified administration of foreign aid can bring to bear on each area a knowledge of its interrelationships to others. It can also bring its experience with similar problems in other areas. It should be able to furnish to Congress a useful picture and grasp of the problem as a whole.

It is the examination of these problems that has convinced us of the need for a unified administration, and the inherent unsoundness and likelihood of wastefulness of the split administration which has grown up primarily because of historical accident. Congress is now clearly furnished the oppor-

tunity to build a modern tool designed to do the job ahead on the principles it recognized in the first Greek-Turkish Aid Act and developed in its ECA legislation.

AN INDEPENDENT ADMINISTRATIVE AGENCY

We recommend this, and propose that the Administrator have Cabinet rank, as Congress provided for ECA.

The relationship between State and such administrator would then follow the ECA precedent.

The Defense Department's relationship to the new administration would be essentially the same as Defense's present relationship to State in the mutual defense assistance program. Defense would do in effect what it is now doing. It would supply the data as to what equipment is necessary for the proposed troop basis of our allies, its cost, the necessary timetable for its delivery, the fitness of facilities to produce a particular item, the items which as a matter of security must be produced in the United States and the availability in the United States of facilities to produce items needed to be produced here for reasons of timetable or security. All funds for procurement of military items and parts in the United States would be allotted to the Defense Department for procurement through its regular channels, as is done now.

In making our recommendation for such independent administrative agency we have had in mind that—

(a) In the adoption of the Marshall plan, after exhaustive hearings and debate, the Congress determined that the vast expenditures contemplated for that new function could best be administered by a new agency independent of other departments, headed by an administrator of Cabinet rank reporting directly to the President.

(b) ECA achieved success in securing the corporation of other governments. This was done, moreover, while strengthening our foreign policy in Europe rather than weakening it through divided authority as some had feared. Further, it has been authoritatively stated that in no instance was it necessary to refer to the President any disagreement between the Administrator and the Secretary of State on a matter affecting their respective functions.

(c) The fact that the new reason for our now furnishing assistance to some countries is primarily to enable them to meet the military threat to all of us does not change the fundamental of the organizational problem. We are just as much faced with problems of business administration of great magnitude and complexity. The precedent and reasons for an independent organization are in this situation no less applicable.

(d) The Hoover Commission put forward for consideration a proposal that the administration of foreign economic aid and other overseas programs be merged in one organization independent of the established Cabinet departments and reporting to the President.

(e) The Gordon Gray report recommended that at least for all aid other than military equipment, there should be a single administration not a part of any Government department.

(f) The Rockefeller Commission recommended a single administration for foreign aid and other overseas economic activities.

PROPOSED SET-UP

The unified administration should have a title appropriate to its broad functions—to illustrate, Mutual Security Administration. It would exercise the responsibilities for the administration of the appropriations for foreign aid now respectively exercised by the State Department and the ECA. It would take over the rights and obligations under the contracts and agreements including those under existing bilateral agreements with foreign countries hereto-

fore entered into by existing agencies and now outstanding.

We are dealing with going concerns. The unification could and should be effected without interruption in their activities. Into the unified administration would be merged the skilled and experienced personnel of the ECA and those in the State Department who are exclusively engaged in the administration of the military-assistance program, point 4 activities, or other foreign aid. The present ECA organization would, of course, be the core of the new set-up. The personnel in the Defense Department and other personnel in the State Department concerned with the administration of foreign aid would continue in their respective departments to carry on the important functions of those agencies appropriate to their respective roles in foreign-aid matters.

The Administrator would necessarily carry on his function of the budgeting, programming, and actual application of this aid within the four corners of the established policies of the Government—political, military, financial, and economic. The National Security Council and its staff might well have an increasing part in the formulation and clarification of the over-all policies applicable to mutual security assistance.

Direct responsibility for effective administration of the task should be in the Administrator. However, it is clear from the variety of factors involved in successful administration that the Administrator would have to work in the closest cooperation with the appropriate representatives of the State and Defense Departments at the country level, at a regional level, such as Western Europe, and finally, in Washington with representatives of these and other governmental agencies, such as Treasury and Defense Mobilization.

At the country level the relationship with the State Department would be through the Ambassador, and with the Defense Department through the local military mission.

At the European level the instrumentality of such consultation might well be the existing European Coordinating Committee. It would be important to preserve and strengthen the present participation of both the United States Deputy on the North Atlantic Treaty Council and of the top military command in Europe and the staff of such committee. Further, the tie-in of the Administrator and his European deputy with the North Atlantic Treaty Organization in that area would need to be particularly close so as to get the full benefit of its Defense Production Board, with its international executive staff, and of the Finance and Economic Board of NATO. The Administrator should also be in a position to avail himself to the utmost of the Organization for European Economic Cooperation (OEEC), of which certain members are not members of NATO.

At the Washington level the organization for exchange of information and consultation should include representation of State, Defense, Treasury, the Office of the Special Adviser to the President, the new unified aid administration, and the Office of Defense Mobilization. This would be in general similar to the representation upon the present International Security Affairs Committee. It might well have a functional relationship with the National Security Council.

Effective relationships of the Administrator with the Office of Defense Mobilization would be vitally important for the success of the foreign-aid program. The availability of raw materials and other economic resources of the United States to the economies to which we are furnishing assistance can go far to make or break these programs. The Administrator would be the appropriate claimant agency with the Director of Defense Mobilization on these matters.

In the NATO area there would be another prime factor in the duties of the Administrator. There the test of the success or failure of the administration would be its effectiveness in meeting General Eisenhower's objectives—the equipment of the troops of the various nations called for by his plans, on the time schedule stated, with the maintenance of the economy at a level requisite for their support and morale.

In view of General Eisenhower's international position, any formal participation by him or his staff in the unified administration would appear impracticable. But a primary function of the Administrator should be (a) to see that General Eisenhower is kept currently supplied with information as to the budgeting, programing, and execution of the provisions for aid in the NATO area, and (b) to satisfy General Eisenhower in his administration of these matters.

THE OVERRIDING CONSIDERATION

While the foregoing seems the soundest organizational structure, the consideration of supreme importance is that this country give the aid to General Eisenhower in setting up the forces in Europe called for in the joint defense of the free world and also give such other aid as is vital elsewhere. Therefore, while we recommend an organization which we believe will be more economical in operation and sounder in structure than the split administration now existing, we also recommend that an appropriation of the order of magnitude proposed be supported unreservedly under whatever form of organization the Congress determines to be most effective. For organization, while important, must be considered as secondary to the over-all objective of furnishing the sinews necessary, in whatever form, to enable our allies to participate with full effectiveness in the joint defense and to take the broader measures in all areas required to win the peace.

FRANK ALTSCHUL,
R. AMMI CUTTER,
GOLDTHWAITE H. DORR,
PAUL G. HOFFMAN,
THEODORE W. SCHULTZ,
TRACY S. VOORHEES,
Subcommittee on Foreign Aid.

EXHIBIT B

AUGUST 9, 1951.

STATEMENT ON FOREIGN AID SUBMITTED BY TRACY S. VOORHEES FOR THE COMMITTEE ON THE PRESENT DANGER

The Committee on the Present Danger is a nonpartisan group of private citizens. In the absence from the country this month of the committee's chairman, Dr. James B. Conant, I am making this statement for the committee as its vice-chairman.

Of the \$8,500,000,000 of foreign aid proposed, about \$7,000,000,000 are for the European area, including Greece and Turkey. Virtually all of this is in reality aid for military purposes. Some of it is called economic aid, but is for the specific purpose of enabling the recipient countries to strengthen their defenses. Although amounts for Iceland, Western Germany, Austria, Trieste and Greece are not specifically for such military purposes, support of the economies of each of these critical areas is as essential to the program for defense of Europe as direct military aid, and must realistically be considered as part of the same package.

Including all geographical areas, almost \$8,000,000,000 of the total of \$8,500,000,000 requested are essentially for military purposes.

As Americans, we naturally do not want any more of our forces stationed in Europe than is necessary to make General Eisenhower's defense program realistic and successful. The logical answer is to furnish the aid necessary, above what the Europeans

can do for themselves, to equip expeditiously the European forces forming part of the joint army under General Eisenhower. For these reasons, the Committee on the Present Danger earnestly supports an appropriation of the general order of magnitude proposed. We believe that this is true economy, noting that General Eisenhower is quoted in The New York Times of August 8 as saying that a "sure way of getting half the results for twice the cost is to make Western rearmament a longer effort than it has to be."

The Secretary of Defense has made clear that to accomplish the necessary military objectives, foreign aid programs over the next 3 years will be required totaling some \$25,000,000,000. Of this, the present requested appropriation is, therefore, but one-third. Bearing in mind General Eisenhower's emphasis on the need for speed to decrease the danger of a major war, we feel that there would be no true saving in reducing the present appropriation. True savings can arise, however, from efficient administration which will obtain the greatest possible productivity for defense from the recipient nations and their maximum assistance to each other, both military and economic. This is possible through centralized management of all United States aid to them.

Our committee believes, that the overriding consideration is the granting of an appropriation of the general order of magnitude proposed; that organization while important is secondary to the over-all objective of furnishing the sinews necessary for the joint defense. Subject to this, our Committee recommends a centralized organization to administer both kinds of aid as the most efficient setup. We believe also that such a form of organization will facilitate obtaining the appropriation.

Among the reasons favoring such organization are:

1. It follows precedent. The relationship of ECA to State was established after long Congressional study. Forebodings that this would cause serious difficulties did not materialize. Facing now an even larger program, why should we abandon a relationship which has worked well? Why should such aid be placed under the supervision of the State Department when Congress was unwilling so to place the Marshall plan aid?

2. It puts the business of foreign aid on a business basis. Experience has repeatedly shown that the way to obtain fast, efficient action in such matters is not through committee control and divided authority, but by giving the funds, the authority and the responsibility to one good man with power and answerable to the President. The task ahead is an operating job for a business operator to be carried on subject to the foreign policy established by the State Department. The nonpartisan, energetic business direction of the ECA program produced results. Who would believe that this could have been done as fast or as well under the control of a "coordinating committee" representing four departments or agencies?

3. Such centralized authority over both forms of aid is needed to determine what total assistance each country needs. So-called military and so-called economic aid are interdependent. More of one requires less of the other. Both are in reality, in the principle European countries, economic aid for military purposes. With separate agencies directing the military and economic aid, there is no way, except through committee control over both, even to determine the amount of total aid really necessary. Such a method involves either delay or waste—or both.

4. Such centralized authority is necessary to stimulate, as a condition of any United States assistance, the maximum reasonable financial contribution to defense from each recipient nation's own budget. Now aid

comes from two different United States sources, coordinated only by a committee. We must have a true mutual program, not a United States give-away program.

5. Such centralized authority is necessary to determine how much each recipient country can produce itself of military items with some aid from us. Certain European economies, such as Germany, Italy, and others, are far from fully used for this purpose at a time when United States production goals are creating serious inflationary pressures on our home economy. Only an administrator with centralized authority can correct this condition by stimulating large-scale European production of the items needed for the joint defense effort. He would require this as a condition of any aid. Such correction of present conditions is also necessary to accelerate deliveries and to save United States funds. It will both create new sources of production and enable these countries to earn dollars which we would probably otherwise have to give them.

6. Centralized administration will also make possible—and the law should require—a single bilateral agreement with each country covering such country's total effort, not only for itself, but to do its part in mutual aid for the other participating countries. Through such agreements and by following them up—Mr. Hoffman has described it as the need to follow the dollar—the goal of a strong defense can be achieved with much less net United States cost.

7. Such centralized administration, through its bilateral agreements, also furnishes the powerful agency necessary to achieve the objectives sought by the Kem amendment in controlling trade which is on balance of military value to the Soviet bloc. (I refer later to a study of this problem recently completed.)

The foreign-aid program before you is today, we believe, one of the great steps in the defense of the United States. It is in fact the means through which, if we manage it well, we can get the most in defense for the least dollars. The foreign-aid program is, therefore, a necessary supplement to expenses for our own Defense Establishment, and cannot be considered separately from them under the over-all plans for defense. We believe that, unless our own defense budget is to be radically cut, there is no sound basis upon which the foreign-aid appropriation should be radically reduced.

It is the view of three leading atomic scientists, members of the Committee on the Present Danger—a view which the other members of our committee share—that our present atomic supremacy is maintaining a temporary balance which averts a Soviet attack on Europe; that this will not last indefinitely; that during the period so given to us a realistic joint defense of Europe is the most effective means of preventing a major war; that this is so because Europe is the greatest prize the Kremlin seeks; that there is no better way to prevent a major aggression than to make the attempt to seize Europe a bad gamble at any time; that this must be done without neglect of the Far East. To accomplish these things the foreign-aid program is a key step. But to make this measure acceptable to the people of the United States, we believe that they must be assured of the most efficient, economical administration of this great fund.

The position of the Committee on the Present Danger on this subject resulted from an exhaustive study conducted, at its own initiative and expense, here and in Europe over several months. The committee has previously submitted to each Senator the conclusions from this study. A summary of them is contained in a short pamphlet entitled "A Statement on Foreign Aid," dated June 18, 1951 (which also lists the members

of the committee). Accompanying it, separately bound, was a much more detailed study. These were supplemented on July 18 by a study of the problems raised by the Kem amendment—the limitation of trade with the Soviet bloc as a condition of United States foreign aid.

The staffs of the Foreign Relations and Armed Services Committees of the Senate have also been furnished with copies of a proposed foreign-aid bill prepared by the Committee on the Present Danger pursuant to request from the chairman of the House Foreign Affairs Committee and other members of that committee. This included detailed provisions as to bilateral agreements, counterpart funds, and provisions to meet the problems raised by the Kem amendment. A brief explanatory memorandum accompanied such draft of the bill. Such bill is consistent with the amendments to S. 1762, recently proposed by Senators SMITH of New Jersey and SALTONSTALL.

In the above activities and in making the present statement, neither the Committee on the Present Danger nor I, as an individual, have any interest to serve except our interest as citizens to bring about a strong defense, as a means of preventing a major war, if possible, and of winning it if war should be forced upon us.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. SMITH of New Jersey. Yes.

Mr. AIKEN. I should like to interrogate the Senator from New Jersey, as the ranking member of the Foreign Relations Committee who is now on the floor. The bill, which we are considering, provides some six or seven billion dollars for cooperation with certain countries of the world which would contribute to the mutual security of themselves and the United States of America. The Senator, of course, is aware of the fact that of all the countries in the world none is so important, or is more important to the security of the United States, than the Dominion of Canada. The Senator is also aware of the fact that for many years there has been in existence an agreement between the United States and Canada looking to the development of the St. Lawrence River, so that the power and navigation facilities which are so desperately needed in both countries might be made available. The Senator is also aware of the fact that there has been all this year a bill before the Foreign Relations Committee which would provide for the approval of this agreement which would then make available for use the greatest remaining natural resource in North America.

The Senator is also doubtless aware of the report that the chairman of the Foreign Relations Committee is unalterably opposed to the development of the St. Lawrence power and navigation facilities, as he has been for the past 20 years, and undoubtedly will oppose any bill approving a development of the St. Lawrence River ever coming out of the Foreign Relations Committee. The Senator, if he had looked on his desk, would have noticed that the junior Senator from Michigan and I have offered to this bill an amendment providing for the approval of the St. Lawrence agreement.

It seems vital that the Congress have an opportunity to act upon the proposed St. Lawrence development legislation at this session of the Congress. The mat-

ter has been bottled up by a committee in the House for the time being. I, for one, do not propose that it shall remain bottled up by a committee of the Senate. The question I should like to ask the distinguished Senator from New Jersey is this: In his opinion, is the Senate Foreign Relations Committee going to permit the chairman of that committee to keep this matter, which is so extremely vital to the security of the United States, bottled up in committee?

Mr. SMITH of New Jersey. I may say to the Senator that there is no way for one member of the committee to decide what the committee shall do. I do not believe in bottling up anything in committee. I think the committee ought to hold appropriate hearings and report up or down any bill which is before it.

Of course, we must make this exception to that general statement: We may have an enormous calendar, and find it impossible to deal with all the bills before the committee at one session. The matter to which the Senator refers came before our committee, and there was a difference of opinion as to whether it was relevant to this particular bill, or whether it should encumber this particular bill. Speed is of the essence in connection with the pending bill, as I see it.

There is involved the question of investigating the Labrador ores, in which I am very much interested. I believe that the whole Labrador ore situation is one which makes the St. Lawrence waterway a most promising thing to investigate, and I want to see it investigated. I am bound to say, however, that frankly I do not think it ought to be attached to this bill, if we are to have expedition in passing the bill. If the Senator proposes to offer the St. Lawrence waterway proposal as an amendment to this bill in the hope that the bill will carry, I would advise against doing so. I think we ought to deal with the subject in an aggressive way as promptly as possible, again having in mind the question of whether the ore development can be related to our national defense, and whether it involves the war emergency to such an extent that we ought to recommend the expenditure of the billions of dollars necessary to develop the waterway.

The project would require several years. The Senator is entirely justified in asking for the authorization. I hope he pushes his bill. I hope we can go into the ore question. It interests me greatly. Further studies should be made as to whether the project could be made self-liquidating, and over what length of time. However, frankly, I do not believe that we should tack it onto this bill, because I think it would encumber the bill and delay passage of the measure which General Eisenhower needs in order to carry on his work of organizing divisions in Europe.

Mr. AIKEN. I appreciate the remarks of the Senator.

Mr. SMITH of New Jersey. I always appreciate suggestions from the Senator from Vermont. He is one of our best thinkers. Six years ago, when I entered the Senate, the Senator from Vermont

was discussing the St. Lawrence seaway. My heart is with him. I should like to see the ore question discussed, to see if we cannot justifiably relate it to our defense situation.

Mr. AIKEN. I appreciate the sentiments expressed by the Senator from New Jersey. I am sure that he is aware that for the past several months the highest military and civilian authorities of both the United States and Canada have been consistently pleading for approval of the St. Lawrence-Great Lakes development, in the interest of the security of both countries. I can see no provision in the bill before us that is as important to the security of the Nation as is the development of navigation and power on the St. Lawrence River.

My question to the Senator from New Jersey is this: In his opinion, is the Committee on Foreign Relations going to permit the chairman of that committee, who, for some reason which I cannot fathom, seems to be bitterly opposed to the development of power and navigation on the St. Lawrence, to keep the bill bottled up in committee? My purpose in offering this amendment is to get it before the Senate for action, if there is no hope of action by the committee. I am not sure but that the Senator from New Jersey may return from San Francisco in time to vote on the bill. I should like assurance from the Senator that he is going to oppose this attitude, which is depriving the United States and Canada of a most vital factor in the defense of the North American Continent.

Mr. SMITH of New Jersey. Let me say to the Senator that no one member of the committee can answer as to what the committee will do. The question did arise, definitely, as to whether the project should be tacked onto this bill. It was decided that it should not be tacked onto this bill, but should be brought up by itself. Whether it can be done at this session, if we are to adjourn by October 1, is open to question.

Mr. AIKEN. Has the committee taken any action looking to taking up the St. Lawrence seaway bill by itself, on its own merits?

Mr. SMITH of New Jersey. If I remember correctly, the Senator from Wisconsin [Mr. WILEY], who is the ranking Republican member of the committee, is just as much for that bill as is the Senator from Vermont. Some time ago he requested that the committee consider it. I did not hear any objection to it. There has been a great deal of pressure on the time of the committee, due to a number of important matters that had to be given serious study and full consideration.

Mr. AIKEN. I do not believe that the people of the country or Members of Congress fully understand the seriousness of the situation. We have a less serious situation in regard to Niagara Falls, with respect to which legislation looking to the development of power is being held up. I will say to the Senator from New Jersey, if he does not already know it, that while we squabble on this side of the line as to what to do about the power, Canada is putting in generators on her side of Niagara Falls large

enough to use all the additional power authorized by the recent treaty, both from the United States side and the Canadian side. I am in favor of Canada using all the water permissible if we are going to be such fools that we cannot work out a plan for developing our own power. In the case of the St. Lawrence, it would be impossible for Canada to do that because action by the United States Congress is necessary to authorize it.

Mr. SMITH of New Jersey. I will say to the Senator that Dr. Wilcox, who is on the staff of the committee, reminds me that it was definitely agreed that the bill would be taken up when we could get to it. We have been pushed from one thing to another in our committee. It is planned to take testimony on the entire St. Lawrence waterway proposal; but there was a definite feeling that we should not report that proposal as an amendment to this particular bill, because of the urgency of passing the bill now.

Mr. AIKEN. I understand that; but what I want is some assurance that the committee will take action on the St. Lawrence seaway project.

Mr. SMITH of New Jersey. Does the Senator mean at this session?

Mr. AIKEN. In the near future.

Mr. SMITH of New Jersey. I think I am safe in saying that it will be done in the near future. I think it should be. I am very much interested in the information which I have received from friends of mine on the ore question. I have always been very friendly to this entire project, as the Senator knows. At one time I was troubled by the question of justification for the costs and the question whether the project could be made self-liquidating. I understand those questions have been pretty well ironed out. I believe that the waterway and its relation to ore development is something that we should consider as soon as we can get to it.

Mr. AIKEN. Does the Senator believe that the committee will take action in the near future?

Mr. SMITH of New Jersey. So far as I am concerned, I will support action being taken and hearings being held, to see if we cannot arrive at a report on the bill.

Mr. AIKEN. I thank the Senator.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the Senator from New York.

Mr. LEHMAN. Whether the amendment with respect to the development of the St. Lawrence should be attached to this particular bill or not is a debatable question. But I think perhaps I know more about the history of the St. Lawrence development, or nondevelopment, than most other Members of the Senate. My interest and association with this project dates back more than 25 years.

Mr. SMITH of New Jersey. I cannot believe that the Senator is old enough to make that statement.

Mr. LEHMAN. I thank the Senator. The first time I appeared before a congressional committee in support of the St. Lawrence waterway and power development project was back in 1934—17

years ago. I appeared again in 1941. I appeared again in 1950, always urging the development of the dual project—the waterway and the power. Those appearances, which now cover a period of more than 17 years, were before committees of the House. I never had an opportunity to appear before a committee of the Senate in behalf of this project, which I believe to be one of the most important to the defense of this country. Opportunity to appear before a Senate committee has been lacking. I fully agree with what my distinguished colleague from Vermont [Mr. AIKEN] has said—that we should certainly have a hearing on a bill, in the event that the amendment is not adopted in connection with the pending bill; that a report should be made promptly, and that the bill should be brought to the floor of the Senate for debate and favorable action. Seventeen years is a long time to wait for a hearing.

Mr. SMITH of New Jersey. I will say to the Senator from New York that in the past 17 years extensive hearings on a St. Lawrence seaway bill have been held before the Committee on Foreign Relations. Such a bill was reported a few years ago, and it was fully debated on the floor of the Senate. It was sent back to committee on a motion to recommend, because it was felt that it would be defeated. I shall consider it a great privilege, when such hearings are opened, which I hope will be in the near future, to hear the expert knowledge which the Senator from New York will be able to give to our committee. He will certainly be heard as soon as the hearings are opened. I believe that in the light of his distinguished record as Governor of New York State, he should be the first witness to testify.

Mr. LEHMAN. I thank the Senator from New Jersey. The hearings before the Senate Foreign Relations Committee to which the Senator has referred had slipped my memory. I was out of the country during a great part of that time. In any event I wish to point out that such a project, while of undoubted direct benefit to the people of New York State, would also be of direct benefit to the entire Nation.

Mr. SMITH of New Jersey. I know that the Senator from New York feels that way. I wish to thank the Senator from New York and the Senator from Vermont for their contribution to the debate. I believe it to be important that the RECORD should reflect their eagerness with respect to the enactment of such a bill.

I yield the floor. I apologize to the Senator from Florida [Mr. SMATHERS] but I am sure he understands the reason for his being delayed.

Mr. SMATHERS. The Senator from Florida has very much enjoyed the splendid remarks of the able Senator from New Jersey, and under the circumstances he was very happy to yield to him.

Mr. President, I send to the desk an amendment to the pending measure which I propose to offer, and I ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. SMATHERS. Mr. President, my amendment does not seek to make a cut, but, on the contrary, seeks to restore the figure which was allocated to Latin-American countries for technical assistance in the bill as passed by the House.

Mr. President, I share the desire of the members of the Senate to complete the pending legislation by Friday night, and with full knowledge of the importance to the free world of the early adoption of this Mutual Security Act of 1951, I hesitate to prolong the debate on this vitally important bill. Therefore it is with considerable reluctance that I ask a very few minutes of the Senate's time in order to consider an item which is small in its size but tremendously large and significant in its implication.

We are considering legislation calling for the appropriation of over \$7,500,000,000, but I wish to call the attention of the Senate to such a small item as \$6,750,000. I hope that there may be some chance of restoring this cut, for this cut, which was not recommended by the House of Representatives when they considered this legislation, can well jeopardize our now friendly and cooperative relations, with our friends and neighbors of South America. I emphasize that the amount is not large as compared to the total amount called for in this bill, but this small amount, this cut, is important to the well-being and the security of the United States and the free world.

The total request for aid for the South American countries was only \$62,000,000. Under ordinary conditions it would seem to be a sizable sum. However, in proportion to the total amount in the pending bill, it is less than three-fourths of 1 percent of the total amount we are now considering. Of the \$62,000,000, \$40,000,000 was requested to assist the countries of Latin America to join with us in a mutual defense program for the defense of the Western Hemisphere. The amount was left substantially intact by the committee. The balance of the \$62,000,000, an item of \$22,000,000, was requested for technical aid and economic assistance for the countries of South America. This \$22,000,000 was the victim of the broad, across-the-board 30-percent cut which was given to all technical-assistance programs in the various areas of the world which this bill covers. The 30-percent cut reduces the \$22,000,000 asked for on behalf of Latin-America to the sum of \$15,250,000. I ask that it be remembered that the \$15,250,000 for technical assistance is to be divided between 21 countries of Latin America, meaning that if it is distributed proportionately there will be less than \$1,000,000 for each country.

A 30-percent cut applied to the economic or technical-aid program for Europe still leaves the sizable sum of \$1,130,000,000 to be distributed among 15 countries. A 30-percent cut in economic aid to the Middle East still leaves \$122,000,000 to be divided up among 12 countries of that area. The 30-percent cut

in the program for the Far East leaves \$254,000,000 to be divided among 12 countries. But a cut of 30 percent in the very small amount originally requested for the Latin-American countries leaves only \$15,000,000 to be divided among 21 countries. A 30-percent cut might not be considered drastic where there is a large amount of money originally requested and authorized, but a 30-percent cut to as small an amount as \$22,000,000 to be divided among the 21 countries of Latin America reduced the amount remaining to almost unworkable miserly proportions.

Mr. President, it seems to me that we must not lose sight of our own security, which means, of course, the well-being and welfare of the entire Western Hemisphere. Above all, we should remember who are friends are. One of the great errors for us to make would be to ignore and forget those friends who not only live in our neighborhood but with whom we have had friendly and mutually beneficial relations for many years. All of us in political life know that one of the gravest mistakes any man can make is to forget his good friends and spend his time and his energy and what assets he has in trying to cultivate new and heretofore strange friends, because eventually the good friends, with much justification, begin to feel neglected and offended, and decide that the way they can gain attention and favor is to cease being so friendly and reliable. That mistake has been made many times in political life, and it seems to me that that mistake can be made in the present-day field of international politics. As a matter of fact, I am very much afraid that the Government of the United States might be making that mistake today in the cutting of the comparatively meager and small appropriation which was requested for its steadfast friends of Latin America, in order to give more to people about whom we are not so certain.

Let us look at the record for just one moment. In World War II when the Japanese had cut off in the Far East our source of supply of strategic and necessary materials with which to fight a war, those critical materials—manganese, tungsten, copper, zinc, tin, oil—which were absolutely essential to us were finally procured from the countries of South America. When by reason of the submarine threat of the Nazis it was impossible to get from the Middle East or Africa some of the vital and critical items we needed. Where did we turn to replace that loss? We turned to the countries of South America. As a matter of fact, the Atlantic Fleet in its entire operation during World War II got its oil from the South American country of Venezuela, which incidentally is the second largest producer of oil in the world, the United States being first. Incidentally, under proposal in the pending bill, Venezuela would get less than a million dollars, whereas Iran—and Iran is very important, and we want all the oil we can get from Iran for a free world—would get comparatively speaking, \$24,000,000. I have no desire, of course, to cut the amount which is intended to be given to Iran.

In our efforts to meet the Communist expansion, and facing the possibility that we might be plunged into an all-out war at any moment, this Government is today stockpiling numerous critical items, many of which come entirely from South America. For example, 100 percent of our imports in vanadium ore, essential in steel production, come from South America; 90 percent of our imports of quartz crystals, so vital in electronics; 95 percent of the sodium nitrate we import; 80 percent of the antimony; 71 percent of the copper; 77 percent of the bismuth; 55 percent of the zinc ore; 24 percent of the manganese; 85 percent of the petroleum, and so forth, which we import come from South America. Obviously it is important to keep this source of supply not only available to us, but continually increasing and expanding.

Aside from these matters of strategic military importance, Latin America today sends to us about 35 percent of our total imports. Last year over \$2,800,000,000 worth of goods were purchased by the people of the United States from the people of Latin America. Our exports to Latin America last year amounted to \$2,500,000,000, which is over half of their total imports. This figure includes about 30 percent of our total exports of machinery; 40 percent of our total exports of manufactured textiles; 44 percent of our total exports of automobiles, and so forth. I might add that these exports were not paid for with grants-in-aid from the American taxpayers or through Marshall plan or ECA assistance, for the countries of South America have not received any such benefits. They have done their business through the Export-Import Bank and the World Bank on a purely business basis. They have not received even the smallest proportion of assistance from us, as compared with that which has been obtained from us by the other countries of the world. Yet it is becoming increasingly obvious that today the countries of South America are inextricably bound up with our welfare, and, of course, we are likewise bound up with theirs.

We have heard it said that the defenses of Europe are not now sufficient to stop the Red armies if they started today a drive for the English Channel. If Europe were overrun, and if at the same time the Communists moved with their reported power and strength in the Far East, there is no doubt that they could temporarily take Japan and could cut off from us once again, at least for a while, the East as a source of supply of critical items which we need if we are to mount a military counterattack. If that should happen, and according to the military experts that is not beyond the realm of possibility, where do we turn for these materials except once again to our friends and neighbors of the Western Hemisphere on whom we depended last time, and, obviously, upon whom we must depend next time, should we lose Europe and the Far East.

It seems to me, therefore, that we should not overlook them in this legislation. We should not treat them negligently or miserly. They should not be

treated like unwanted relatives at a family reunion, for in the interest of maintaining freedom and democracy here in this hemisphere, we are essential to them, and they indeed are most essential to us. They need modest military assistance in order to live up to the commitments which they have made in joining with us in the cooperative military defense of the Western Hemisphere, and I wish to congratulate the committee upon having cut that amount only a little less than \$2,000,000—but more important than military assistance at the moment, they need technical assistance, economic advice, and help in discovering and developing their natural resources and in improving their transportation, health, and educational systems. To do that, not only helps them but helps us, as well, for they are on our defensive team. It seems to me that they are on our guards and tackles. When they are strengthened, the team is strengthened.

The technical-assistance program, which has been cut to \$15,250,000, is not a new program for Latin America. It has been under way since 1941. This program does not involve the exportation of complicated industrial machinery, nor is it aimed at changing the economy of Latin America to one based on the exportation of finished products. Last year \$11,000,000 was appropriated for such a technical-assistance program for Latin America, but that program was not then, nor has it ever been, a one-way street. For every dollar the United States has provided for this technical-assistance program, the Latin-American countries have matched it with the equivalent of \$3. The money expended has been returned to this Government many times over in the discovery of new resources which have been made available to us. For example, in the last few years in Brazil two of the largest manganese deposits in the world were discovered. According to Assistant Secretary of State Miller, in 5 years Brazil can supply 80 percent of our total needs of manganese. In addition, because of this program, much financial benefit has resulted to many private investors from the United States.

Mr. President, if the cut of \$6,750,000 is not restored, after we put into the United Nations technical-assistance program for Latin America \$3,000,000, which we are committed to do, and after we put another \$1,000,000 into the Organization of American States' technical assistance program which we are obliged to do, we shall have left for this program only \$11,000,000; and in that case obviously we must curtail some of the programs which have been operating successfully in Latin America for the past 5 years.

So we see that we are in the position not only of supplying great sums of money to other areas of the world, but, by our attitude in regard to this particular cut, of curtailing the technical-assistance program to some of the countries in Latin America who have proved themselves to be among our very best friends.

This program of technical assistance is clearly a program in our own self-

interest. We are increasingly dependent economically upon the underdeveloped countries of the world. Our own productive capacity has increased at a great rate. In 1940 we produced one-third of the world's manufactured goods; now we provide over 50 percent of the total world production. According to the present mobilization plans of Mr. Wilson, we propose to further increase our productive capacity by some 20 percent, by 1953. While our capacity to produce manufactured goods continues to grow at an astounding rate, we must never lose sight of the fact that our raw material capacity has remained almost constant, and obviously our raw material supply can be expected to fall off appreciably in the future. The countries of Latin America can, for the most part, be considered as underdeveloped areas, economically speaking; and, as such, they offer to us the greatest prospect for future markets for our own production, as well as future sources of raw materials.

The problem of markets is, as we know, a very important one as our industrial production increases. All of us hope that eventually we can have peace. When that happy day comes, our capacity for military production then will become available for nonmilitary production. Then we must find markets which can be used to assimilate the products of these converted industries. If the underdeveloped countries are able with our help to increase their production of raw materials and, at the same time, their income and consequently their capacity to buy abroad, they will become increasingly important purchasers of United States goods.

We must remember, however, that we cannot commandeer from the countries of Latin America their raw materials, nor can we make them purchase our manufactured goods, nor can we force them to be our friends if they choose not to be. The democratic way and the intelligent way is to seek the cooperation of the people and the governments of Latin America so that we and they can together continue and expand programs which we began in 1951, and which are in our joint interest. This is the primary purpose of the technical-assistance program, as it applies to Latin America; and that program has been cut by one-third in this bill, as it is now before us.

The House of Representatives did not recommend any cut in the technical-assistance program, for they felt that it was essential to foster the ever-growing friendship and cooperation between the countries of the Western Hemisphere. They realize that it might well be essential, in the event we lose Europe and the Far East, to have those countries developed and on our side.

There is recommended in this measure some \$518,000,000 for the Middle East, as compared to the \$53,000,000 for all of Latin America. While it is true that the Middle East is at the moment under the gun, and we are anxious to keep those areas on our side, let us remember that the total resources for the Middle East

do not in any way compare with those of the countries to the south of us. We are stepping up technical assistance to the country of Iran in the amount of \$24,000,000, and we are providing \$42,000,000 to other countries in the Middle East, in the hope that the oil of Iran will remain available to the people of the free world; but we must remember that Venezuela is, next to the United States, the second largest producer of oil in the whole world. Eighty-five percent of our imports of oil come from Venezuela, and the technical assistance which we are giving her by means of the pending bill is considerably less than \$1,000,000.

In our desire to cut down the drain on the Federal budget, in our realization of the tremendous sum of approximately \$7,500,000,000 which this bill calls for, in our effort to squeeze the water and fat from it and reduce it to the absolute minimum, let us not cut into the bone and marrow of what can well be the final stronghold of freedom and independence in the world.

Let us remember that these countries are good friends and good neighbors. Let us remember that we need them now, and undoubtedly we will need them more in the future. Let us remember that at the present time we have much good will in South America, and let us not destroy that good will by either ignoring or being miserly in dealing with the South American countries. Let us remember that they were not beneficiaries of the Marshall plan or the ECA, and that they have not been permitted to receive economic grants, as most of the nations with which we are dealing have received in recent years.

Just because they have raised no great hue and cry, let us not believe that we can therefore economize on them. For to economize in such a manner is to be "penny-wise and pound-foolish." These people are awakening politically. They look to us for friendship. Let us not by our acts have them believe that we do not mean what we say, that they are our friends and good neighbors.

Mr. HOLLAND, Mr. LEHMAN, and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Florida yield; and if so, to whom?

Mr. SMATHERS. I am happy to yield first to my distinguished colleague the senior Senator from Florida.

Mr. HOLLAND. Mr. President, I strongly commend the remarks of my colleague, and in particular do I want to say to him that I think he is right in his statement that the technical-assistance program for Latin America is essentially in our own enlightened self-interest. It seems to me, if I may make this comment, that perhaps the committees, which I think have in general done an able job in their report, have largely overlooked, in that portion of their report which has to do with the technical-assistance program for Latin America, the great value of one of the most substantial features of enlightened self-help, in which we promote our own inter-

est by giving technical assistance to our Latin-American neighbors in the field of agriculture.

For example, I quote for the RECORD the two paragraphs of the report bearing upon this particular part of the program:

The economic problems of Latin America arise out of the fact that the majority of its people live in poverty, hunger, and ill health. Since this situation inevitably lends itself to social unrest and political instability, it is in the security interests of the United States to help the American Republics improve their economic life.

Surely, Mr. President, the complete wisdom and soundness of that statement by the committees, so ably supported by my distinguished colleague, are almost self-evident. But I continue to quote from the report:

The program for 1952 will continue the cooperative projects now under way with some expansion in the agricultural work, particularly in the development of rural extension programs.

I would like to say to my colleague that I think the committees, while they barely mention the fact that the enlarged program suggested this year would be expanded, particularly in the agricultural field, have failed to make the point, which I think my able colleague has suggested so strongly, that in this field of agricultural technical assistance we have in this country a great stake in improving the level of scientific agricultural skill and knowledge in our Latin-American neighbors.

It seems to me there are three instances in which recent experience bears out the point that it is to our enlightened self-interest to support the furtherance of technical knowledge and the improvement of technical skill in Latin America in this field of agriculture. I call attention first to the eradication program to stamp out the foot-and-mouth disease; and I am glad to see in the Chamber at this time—and I invite his attention—the distinguished senior Senator from Texas, because his State has such a vital stake in the eradication of the foot-and-mouth disease.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. CONNALLY. Is it not true that the United States has expended millions upon millions of dollars in Mexico to eradicate the foot-and-mouth disease?

Mr. HOLLAND. The Senator is correct; and I think that there we were evidencing our own understanding of what enlightened self-interest means; because by stamping out the foot-and-mouth disease in its heavy infestation of Mexico we were preventing it from crossing the border and causing unspeakable damage and loss to the livestock industry, in which the Senator's great State and our Nation as a whole has literally billions of dollars invested.

But the point which I was about to make, and the commendation of my colleague which I was about to emphasize at this time is that we learned in that program of eradication that we are so greatly ahead in our ability to cope with a disaster of that kind because of

the fact that we have more trained personnel, more scientific knowledge, more laboratories in which we can develop serums, and the like, than is the case with our very good friend, the Republic of Mexico. It is my observation, after having gone there and having visited the areas while the campaign was under way, in which the Republic of Mexico cooperated so fully with our Nation, that the cooperation given by Mexico would have been much greater, and that the combined efforts of the Mexican people, along with our own efforts, would have been much more effective, and the acceptance by the Mexican people of the disagreeable features in connection with such a campaign would have been much greater, had there been greater technical knowledge disseminated among the Mexican rural people.

Therefore, I have been particularly happy to note that it is proposed in this approaching year, if the full appropriation of \$22,000,000 is available, to enlarge the work in the field of rural extension programs and in the general field of agricultural technical knowledge.

I make this point, and I am sure the able Senator from Minnesota [Mr. THYE], who has served so capably as chairman of the committee which has handled this matter, will bear me out in the statement that we would have been able to do a better job with less money, more efficiently and more quickly, if there had been in Mexico facilities, personnel, and public understanding at all comparable to what we have here in our own rural areas.

If my colleague will further yield that I may state a second case, let me say that we have recently made provision for the construction of a new citrus laboratory, required largely by the fact that tristeza, a virus disease which has wrought many millions of dollars of damage in Brazil, has recently come into our Nation, appearing in Louisiana.

Most of the knowledge we have in that field has been gained by experienced personnel in our country who went to serve in Brazil, to work with the agricultural scientists and agricultural producers over the many thousands of acres and the hundreds of thousands of square miles in which the citrus industry of Brazil exists, in an effort to find out all that could be discovered about that particular virus disease.

It is very clear from the statements made by the scientists who appeared before the Subcommittee on Agriculture of the Appropriations Committee that they would have been able to do a better and quicker job, which would have served us better and made more information available to us now, if the level of scientific knowledge and practice had been higher in our sister nation of Brazil, which certainly showed herself to be our true friend in the Second World War.

I say to my distinguished colleague that I do not believe he could make a stronger case of enlightened self-interest than in this field of agriculture, because with over 2,000 miles of common border between our Nation and Mexico, with heavy trade going on constantly and the travel of persons from all parts of Latin America to our Nation, there is the area

from which we have the greatest danger of infestation by diseases or insect pests affecting agriculture—and agriculture in this Nation is a multi-billion-dollar activity which is one of the greatest assets we have to protect.

And so, this expenditure will be an investment rather than a gift, and it will be an investment in our own interest.

Mr. President, to state a third case, I recently went to the State of my distinguished colleague from Texas [Mr. CONNALLY] and then across into Mexico, to the laboratory in the city of Mexico, made available by that friendly neighbor, in which important experimental work was going on, directed by our own personnel, Dr. Baker and Dr. Stone, aided by several capable Mexican technicians. They were studying the blackfly menace about which the Senate has many times heard. I found they had gone a long way in developing a control program, but the trouble is that the blackfly is already spread over thousands of square miles of Mexico, and it must be fought there and not here. We hope that the control program will be so well conducted there that the blackfly will not cross the Rio Grande into the grand State which the Senator from Texas represents, nor go across into any of the other States in which there are many fruit and vegetable projects which would be harmfully affected by the blackfly.

But I remind the Senate that the degree of technical skill available in the various rural areas of Mexico where the control program must be carried forward will determine largely whether the blackfly menace will be stopped at that more or less artificial boundary, the Rio Grande.

I went to the city of Matamoros, directly across from the city of Brownsville, and was shown certain citrus trees which a few days before had been infested by the blackfly. It is tremendously important to the citrus growers and other growers in Texas and in other parts of the United States as to what is the level of information, skill, and equipment of those who are producing citrus and other host fruits and vegetables in Mexico, as to whether they are going to be able to stop the menace there or whether it will get into Texas and other portions of our great Nation.

Mr. President, among the points made by the committee in its able report it further has this to say about the Latin-American program:

The technical-assistance program is helping to create and develop the basic services which are prerequisite to economic development and to large-scale investment.

This is true, and it is important. But it seems to me that my colleague has hit the nail squarely on the head and has stated the fact which is of greatest importance to us when he says it is primarily to our own self-interest to see that the standard of scientific and technical skill, knowledge, and ability to do the things that must be done should be raised and elevated through such help as we can bring, just as rapidly as possible, in the Latin-American republics which are our nearest neighbors and best friends.

So, Mr. President, I hope my distinguished colleague will succeed in his effort to restore this particular part of the appropriation to the level already approved by the Budget Bureau and already confirmed by the House, and reduced only by the Senate committees.

I think that in their reduction of this item and in their able report the joint committees have lost sight of one of the truest values or measurements of this program, namely, what is its worth to us; what is its worth to our basic industries?

I think it is almost self-evident that this program of improvement of technical skill and knowledge in many fields, but particularly in the field of agriculture, is of immeasurable value to us and to our vital industries. I congratulate and commend my distinguished colleague for his able argument.

Mr. SMATHERS. I thank the very able senior Senator from Florida, and, I might say, the very friendly Senator, for his remarks about me, and I appreciate the additional arguments which he has made which further substantiate the reason why the amendment which I hope to call up tomorrow should be adopted.

Because of the remarks of my colleague I should like to invite attention to another thing. We receive from Latin-American countries critical materials which we must have in the event that we should be called upon to mount any sort of a military counterattack.

We have been making some money in our dealings with the people of South America.

Over 30 percent of the loans made by the Export-Import Bank have been made to Latin-American countries. That is vouched for by Herbert E. Gaston, the president of that bank, who says:

I consider the credits extended to Latin America as sound as any in our portfolio.

We look a little further and we observe that the Export-Import Bank for the fiscal year 1950-51, with all their world-wide operations, which included the loans to Latin America, had a profit of some \$51,000,000.

Mr. President, I yield the floor at this time with the remark that I hope Senators will interest themselves in this particular problem, because the people in question are close to us. We need them. We want to prove to them that we are neighbors, not only in words, but in fact.

LEAVES OF ABSENCE

Mr. HUMPHREY obtained the floor.

Mr. McCLELLAN. Mr. President, will the Senator yield so I may make a unanimous-consent request, and make a brief statement?

Mr. HUMPHREY. I am happy to do so.

Mr. McCLELLAN. Mr. President, to carry out previous commitments, I am compelled to be absent from the Senate tomorrow and for the remainder of the week. I ask unanimous consent that I may be absent from the sessions of the Senate until next Tuesday.

The PRESIDING OFFICER (Mr. LERMAN in the chair). Without objection, it is so ordered.

Mr. MARTIN. Mr. President, will the Senator from Minnesota yield so I may make a unanimous-consent request?

Mr. HUMPHREY. I yield for that purpose.

Mr. MARTIN. I ask unanimous consent to be absent from the Senate for the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Mr. McCLELLAN. Mr. President, I wish to make an observation respecting the bill now before the Senate. It is an authorization bill. Of course, it does not appropriate money for spending. It will only authorize the spending of money. The appropriations committees of the respective bodies of Congress will have an opportunity to go over any proposal for appropriations.

Mr. President, I wish to make the statement that I oppose any increase in the ECA funds in the bill and definitely oppose amendments that may be offered to it to increase amounts it authorizes. In fact, I shall support, and am paired with the junior Senator of West Virginia in support of pending amendments for cuts in the ECA fund in the bill.

I wish to make a further statement, Mr. President. We are spending ourselves into a condition from which we may not be able to retrieve ourselves. We have got to make every dollar count. Therefore, I am opposed to trying to build up the economy of all the whole world when we are confronted by the necessity of preparing the strongest defenses America is capable of preparing here at home.

As a member of the Appropriations Committee and of this body, Mr. President, I shall carefully scrutinize spending proposals. I shall vote for cuts in appropriations when they are before us.

I am now paired on this bill. I am opposed to any increases in these proposed authorizations, and favor reductions in the ECA item, and some others in the bill.

THE AMERICAN LITHOFOLD CO.

Mr. WILLIAMS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS. Mr. President, for the information of the Senate, I wish to read an article published in the Washington Daily News of Friday, August 24, 1951, as follows:

TREASURY AIDE QUILTS—ALCOHOL TAX UNIT HEAD RAN PRIVATE MILLION-DOLLAR FIRM

New York, August 24.—James B. E. Olson, Alcohol Tax Unit Supervisor here for the Treasury Department, resigned, effective today.

At the same time, the World-Telegram and Sun, a Scripps-Howard newspaper, revealed that Mr. Olson directed a private business which grossed millions during his 4 years in Federal service.

Treasury regulations prohibited employees from engaging in any outside employment in which their personal interests may conflict with official responsibilities.

The private business which Mr. Olson directed as board chairman is the J. B. E. Olson Corp., which sells truck bodies. Auto agencies mount these on chassis and sell to breweries, laundries, and bakeries.

COLLECTS TAXES

The Alcohol Tax Unit collects taxes from breweries and distilleries.

Mr. Olson said his corporation will gross about \$1,400,000 this year. He said he is resigning to devote all his time to his private interests.

Mr. Olson denied reports that he had recently been called to Washington and given 30 days to get out.

The J. B. E. Olson Corp. was formed in December 1946. The next month Mr. Olson was sworn in as Alcohol Tax Unit supervisor. At the time the Commissioner of Internal Revenue and Mr. Olson's chief was Joseph D. Nunan, now practicing law here.

DO NOT AGREE

Mr. Olson said he had discussed his business venture with Mr. Nunan in 1947. Mr. Nunan, reached at a farewell luncheon in Mr. Olson's honor yesterday, confirmed the conversation. But the two did not agree on what had been said.

Mr. Olson's first version didn't mention Mr. Nunan. He said his business activities had been approved by the counsel of the Revenue Bureau. Asked to name the 1947 counsel, he said he wanted to correct himself. It was not the counsel but Mr. Nunan who had granted approval. He added that Mr. Nunan had suggested Olson resign as president and take office as chairman of the board.

COULDN'T REMEMBER

Mr. Nunan couldn't remember that the president-chairman shift had ever been mentioned. He did recall that Mr. Olson had told him of his outside business and he had told Mr. Olson he could do anything that did not interfere with his Government work.

Mr. Nunan said he would not have given permission if Mr. Olson had told him that the truck bodies handled by the corporation might be sold to breweries. He said Mr. Olson hadn't mentioned that. Two of Mr. Nunan's law partners are now on the board of Directors of the Olson company.

Asked if trucks carrying J. B. E. Olson bodies were being sold to breweries or other liquor interests paying alcohol taxes, Mr. Olson said, "Probably."

HELD HIS INTEREST

Mr. Nunan resigned as Internal Revenue Commissioner March 15, 1947, and thereafter Mr. Olson continued to hold his interest in his corporation. He said he did not obtain permission from the next commissioner.

"Let's put it this way," he said; "nobody said I couldn't."

Mr. Olson said he had started the business with \$600, and it now grosses well over \$1,000,000 a year.

The new commissioner of internal revenue, John B. Dunlap, refused to comment on the case.

Mr. President, yesterday afternoon there appeared on the ticker, from the United Press, the following, which I now read into the RECORD:

ST. LOUIS.—A former alcohol tax supervisor for New York City received \$5,500 in commissions from American Lithofold Corp., of St. Louis, for printing business he obtained for the firm in 1949-50, a company officer said today.

He was referring to James B. E. Olson who resigned the New York post last Friday.

Olson's relations with the firm were disclosed by Homer W. Stanhope, company controller. He told reporters that Olson was one of a large number of "independent agents" hired by the company in various cities to get business.

He said he had not known Olson was a

Federal officer, explaining that Olson had been hired by the firm's New York office.

Company records here show that Olson received \$3,000 in commissions in February, March, April, and December of 1949 and \$2,500 from September through November 1950.

Olson had been supervisor of the Alcohol Tax Unit in New York since January 3, 1947.

His name was brought up in New York yesterday by Representative KING, Democrat, of California, chairman of a House subcommittee investigating tax frauds.

KING said Olson helped in obtaining printing contracts for American Lithofold from liquor concerns under his jurisdiction. KING added that his subcommittee is looking into the affair.

Mr. President, on May 7, 1951, I made reference on the floor of the Senate to the fact that the American Lithofold Co., of St. Louis, Mo., had three times had its requests for a loan from the RFC rejected, only to receive such a loan after having hired the collector of internal revenue in St. Louis, Mr. Finnegan. Later, Mr. Boyle was referred to as having been hired by that same company in the spring of 1949.

Now we find another revenue agent in New York was on the payroll of this same company. The comptroller of the company says that they had hired a number of independent agents throughout the country.

I am wondering just what they describe as independent agents, and just how many Government employees have been put on the payroll of this firm. Why were these particular men hired?

It is interesting to note that after these three men were put on the payroll of this company two rather lucrative Government contracts were awarded to the concern.

For instance, the Government Printing Office awarded to this company a contract totaling more than a million dollars. In 1948 the Government Printing Office purchased from the American Lithofold Co. supplies amounting to \$62,273.02; in 1949 the amount was \$101,691.62; in 1950 the amount was \$227,358.95; in 1951 the amount was \$668,031.51. A corresponding increase was made in purchases from their subsidiary, the American Carbon Paper Co.

I ask that the figures relating to these purchases be incorporated in the RECORD at this point.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

UNITED STATES GOVERNMENT

PRINTING OFFICE,

Washington, D. C., August 8, 1951.

Hon. JOHN J. WILLIAMS,

United States Senate,

Washington, D. C.

MY DEAR SENATOR: Here is the information requested by you in your letter of August 7, 1951.

Listed below are the summaries:

American Lithofold:

1948.....	\$62,273.02
1949.....	101,691.62
1950.....	227,358.95
1951.....	668,031.51
Balance due.....	1,874.19

American Carbon Paper Co.:

1948.....	667.80
1950.....	27,506.82
1951.....	14,047.34

Very truly yours,

JOHN J. DEVINY,
Public Printer.

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to have incorporated in the RECORD a letter showing the purchases during the past 3 years by the military departments from the American Lithofold Co. and the American Carbon Paper Co. These purchases were in addition to the other purchases just mentioned.

Also, I ask unanimous consent that a breakdown of these purchases by the Defense Department be incorporated in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, August 28, 1951.

HON. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: The following information is submitted in response to your inquiry of August 7 concerning purchases made by the Department of Defense from a number of specified companies. Pursuant to the discussion on August 9 between Miss Lenhart, of your office, and Mr. Lehrer, of this office, the information submitted covers all procurement actions of \$10,000 or more during the past 3 years.

1. No purchases have been made during the past 3 years from the Machinery Development Co., Atlantic Coast Sales, Systems Engineering Co., or the B. K. Supply Co.

2. In the 3-year period the Army and Navy purchased \$2,771,085 worth of printed forms from the American Lithofold Co. Of this, \$2,145,069 was purchased directly by the Army and Navy, with \$1,713,015 bought on an advertised-bid basis and \$432,054 bought on a negotiated basis, pursuant to the provisions of Public Law 413, following the President's declaration of a state of emergency in December 1950, in addition, orders totaling \$626,016 were placed by the Army and Navy against open-end contracts made with the American Lithofold Co. by other Government agencies.

3. A total of \$511,506 worth of carbon paper and typewriter ribbons was bought from the American Carbon Paper Co., of Ennis, Tex., and \$68,328 from the American Carbon Paper Co., of Chicago, Ill. All of this material was bought on an advertised-bid basis.

4. There have been no Air Force purchases from these companies during the period involved. Details of the Army and Navy purchases are contained in the attached table.

Faithfully yours,

ROBERT A. LOVETT,
Acting Secretary.

Purchases by the military departments from
American Lithofold Co. and American Carbon Paper Co.

Period and department	Number of contracts or orders	Dollar value
A. AMERICAN LITHOFOLD CO., ST. LOUIS, MO.		
July 1, 1948, to June 30, 1949: Navy.	1	91,504
July 1, 1949, to June 30, 1950:		
Army.	3	45,077
Navy.	3	44,552
Total.	6	89,629
July 1, 1950, to May 31, 1951:		
Army.	15	1,629,869
Navy.	34	960,083
Total.	49	2,589,952

Purchases by the military departments from
American Lithofold Co. and American Carbon Paper Co.—Continued

Period and department	Number of contracts or orders	Dollar value
B. AMERICAN CARBON PAPER CO., ENNIS, TEX.		
July 1, 1948, to June 30, 1949:		
Army.	3	418,095
Navy.	1	11,340
Total.	4	429,435
July 1, 1949, to June 30, 1950:		
Army.	1	32,692
Navy.	1	14,685
Total.	2	47,377
July 1, 1950, to June 30, 1951: Army.	3	34,694
C. AMERICAN CARBON PAPER CO., CHICAGO, ILL.		
July 1, 1949, to June 30, 1950: Army.	1	68,328

Mr. WILLIAMS. There are numerous other routine business purchases which have been made by other Government agencies throughout the year, but the particular purchases to which I have referred are rather unusual, particularly in view of the fact that this company had on its payroll two prominent employees of the Government, in addition to employing the services of William Boyle. After the employment of these individuals we find their RFC loan was approved and Government orders began to roll in.

MUTUAL SECURITY ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Mr. HUMPHREY. Mr. President, I rise to speak in support of the Mutual Security Act of 1951. I believe there ought to be increases in certain aspects of the bill. Before I proceed I wish to pay tribute to the distinguished junior Senator from Florida [Mr. SMATHERS] for his very appropriate and discerning remarks on our relationships with the Latin-American countries, and particularly the importance of the technological and technical-assistance program. I felt that both the junior Senator and the senior Senator from Florida [Mr. HOLLAND] made distinct contributions to the understanding of what appropriate technical assistance can mean to our own welfare as well as to the welfare of those to whom we offer aid.

I think we are going to find, as the years go by, that the investments this country makes which are really meaningful, and which will be good for the long run, are the investments which we make in scientific and technological advance and study. Those are the ones which are productive. They do not dissipate themselves, but rather grow, and have a progressive ratio of development.

It is perfectly obvious to any American citizen that our Nation and all the other

free nations of the world face great dangers. I am sometimes of the mind that not enough of us really appreciate the diabolical and sinister menace which opposes us. The Soviet Union seems so far away, and the stupidity of our local Communists seems so apparent, that we do not always comprehend the full significance of the threat which faces mankind everywhere.

Possibly the nature of that threat and the seriousness of it become more evident when the taxpayers of the country, our citizens, find out today we are talking about a bill which authorizes \$7,535,750,000 for mutual security. Possibly the seriousness of the situation will be spelled out in more understandable terms when we start to consider the military authorization for our Defense Establishment—a minimum of \$55,000,000,000 or \$56,000,000,000. Perhaps we drive the point home when we realize that this year the Government is contemplating spending \$68,500,000,000, necessitating a tax increase of anywhere from six billion to seven billion dollars in order to balance the budget; and that in the peak year of 1953 we shall be spending for security purposes alone—and I speak now of military and economic assistance programs—at the rate of \$90,000,000,000 a year.

All we are doing in this program is preparing ourselves in case of an all-out war. We have not equipped an army of 15,000,000 men and women. We have not put America into all-out production for military purposes. We have done two things:

First, we have charted a course of minimum security based on 3,500,000 men in the armed services, with adequate equipment.

Secondly, we have been tooling up and expanding our production facilities so that we can convert them almost overnight into all-out production for military purposes.

I mention those things because I do not think we ought to fool either ourselves or our constituents. What we are doing today is assuming a calculated risk for minimum security. We are proceeding on the assumption that the Soviet Union will not attack us within the next few months or years. We are hoping against hope that the minimum security program which has been outlined by the President and other responsible executive officers of our Government will tide us through these troublous days, and that because of our strength at home and amongst our allies the Soviet and her satellites will not march against the free world.

I am an optimist. I think our program will work. But I am not sufficiently optimistic to say that it will be cheap, or that we can reduce the cost of the program to any material extent. I have heard many persons suggest that we are going bankrupt if we continue this program. My reply is that if we do not continue our mobilization we shall not even have the privilege of going bankrupt. Someone else will determine that for us.

But I do not believe that we are going into bankruptcy. For many years there have been people prophesying the doom of bankruptcy. They prophesied it as far back as the First Congress of the United States, when there was argument as to the value of our currency. It was talked about after the War of 1812, and after the War Between the States. There were many who thought we were on the road to bankruptcy in World War I, and many of them surely felt that the defense program prior to World War II and the tremendous debt afterward would lead us into bankruptcy.

People who speak in that manner seem to forget that this country has an expanding economy. Today we are producing at the highest rate in our history. At the peak of the contemplated defense program we shall be spending not more than 18 percent of our gross national product. I submit that a nation of 155,000,000 people which has the freedom, the cultural, political, and economic institutions we have can afford an insurance policy for freedom at a premium of 18 percent. That is a reasonable rate for the safety of the American people and the safety of the world. To be sure, we wish it were less. We would like to direct our energies toward what we may call more constructive purposes. But the size of our defense program and the size of the mutual security program is not within the hands of the American people alone. It is pretty much dependent upon what happens in the international scene.

The whole program must be geared not only to what our own wish may be, but it must be geared to the threat of the enemy. We do not have to mince words any longer. Make no mistake about it, the enemy is the Soviet Union, with her international apparatus of the Cominform and her satellite states. This is no enemy in theory. It is an enemy in fact. The sooner we face up to her diabolical purposes the better off we shall be. There is no easy way out of it, and there is no way in the world that we can make ourselves feel any better by saying that it costs too much.

The fact of the matter is that what we are talking about now is a minimum program—and I underline the word. This is a minimum. The Joint Chiefs of Staff, the Secretary of Defense, and the head of our defense production mobilization, Mr. Wilson, have told us that what we are talking about today, in terms of expenditure, is a minimum, and it is based upon the calculated risk that we shall have 2 years in which to prepare.

So I think the sooner we gear ourselves for this job the better off we shall be. I do not think we can afford the luxury of wishing that it were less. I do not think we can afford the luxury of giving ourselves psychological abuse and telling ourselves how bad off we really are. I submit that, despite the tremendous burdens of defense, despite the taxation which each of our citizens will have to bear, there will still be a higher standard of living in America than anywhere else in the world. There will still be a profit for American indus-

try. There will still be good wages for American workers; and there will still be good prices for American farmers. That is what we are protecting—plus our political freedom and the integrity of our whole economy and political system.

So, Mr. President, I pay a tribute to the committee for a comprehensive and splendid report. I see on the floor the distinguished chairman of the Committee on Foreign Relations, the eminent Senator from Texas [Mr. CONNALLY]. I have read the report and some of the testimony given at the hearings. I read the report three times. Each time I have read it I have been literally filled with amazement at the amount of detail, the philosophy, and the understanding contained in the report with respect to the tremendous problem which faces the American people and the free world. I only say that in a desire to be economical, and in a desire to cut every dollar which the committee felt should be cut without jeopardizing our security, it is my personal opinion that in some areas the committee has cut too much. That is of course, a matter of value judgment. Throughout the debate on the bill and the amendments which will be offered we shall be able to determine how the majority of the Senate feels, and on the basis of that we shall move ahead.

Mr. President, I shall not direct my attention tonight to the measure as a whole. It contains several titles. My friend, the junior Senator from Florida [Mr. SMATHERS] discussed the Latin-American area of the world. Every area of the world is important. That is the trouble, Mr. President. I believe we can understand the importance of the problem when we understand the menace which faces us. It is a totalitarian menace. A totalitarian menace spells out its own definition. It means that it is a total menace all over the world, total in every sense of the word. It is a menace to our very life, it is a menace to our economic system, it is a menace to our political system, it is a menace to faith, and it is a menace to our territorial jurisdiction.

Mr. President, there is no way of meeting a totalitarian threat with piecemeal measures or half-hearted efforts. A totalitarian threat requires total unity and total dedication of purpose of a people. I am happy to see that our country is taking on the responsibility with dignity and with determination. The time has arrived in American life for us to get away from retreat and to start to move forward. We must move forward with positive affirmation of our faith in democracy and positive affirmation of our goals and objectives.

These objectives and goals are understandable to everyone. They are goals and objectives which are based upon the hope of peace. But the hope of peace is only arrived at by creating conditions which are favorable to the fulfillment of peace.

Those conditions can be spelled out. The first one is our own internal security, strength, mobilization, and industrial capacity. Another condition is the strengthening of our allies. It is not only humanitarian to do so, but it

is militarily and economically practical to do so. It represents a recognition of the fact that we need allies, and that they need us.

Another one of our goals is the establishment of a broad, economic program to strengthen the economy of our allies. Another is represented by our propaganda programs, or through our truth, education, and information programs, by means of the Voice of America, for example, and the other areas of press and informational programs.

Mr. President, these are some of the things we are doing. The American people can understand them. The American people know that we must have strength, and they know that we must strike death blows against the diseased soil in the world where communism grows. The diseased soil is filled with hopelessness and frustration. It is filled with all kinds of prejudices and antagonisms. It is our job to help other people to lift themselves out of this mire, not only for themselves, but for ourselves. I repeat that when we talk about a totalitarian menace we must have a world-wide program with which to meet it. It does not mean that we must meet it only on the battlefield. It means that we must meet its ideology, it means that we must meet its propaganda, it means that we must meet its economies, and it means that we must meet its political strategy and political policies.

Mr. President, if there is a weakness which we have demonstrated it is an inability to be sufficiently creative.

I should like to direct my attention to that phase of the bill. All of us understand the importance of armed strength. We are able to put strong armies in the field. We understand industrial development. But we must be creative in psychological warfare and in political strategy. We must get away from the defensive and take the forward-looking and hard-hitting offensive.

I said that I wanted to direct my attention to a particular section of this bill. I refer to title II, the Near East and Africa. I do so not because of any specialized knowledge which I may have about it, although I have tried to study the subject and to know something about it. I used to teach a course in it at one time. I did not do particularly well, but sufficiently well, apparently, to get paid for it.

Particularly since the crisis has developed in Iran, I feel that the Near East is an area to which we should pay particular attention. We need to educate Americans all over again with respect to different areas of the world.

Every American knows something about European countries, because he had a grandfather, grandmother, great grandmother, or great grandfather who came from a European country. Perhaps one's ancestors came from England. Apparently the Mayflower was a very big ship, because so many ancestors seem to have come over on it. In other words, we can establish a personal identity with a country in Europe. On the other hand, we do not understand all that we should know about the Asiatic area, the Near East, and the Mediterranean area. Some

of us rejoice in the little knowledge we have about the Greeks in the third, fourth, fifth, and sixth centuries before Christ. Some of us like to think about the Tiber River and about the glories of Rome. We like to talk about the Mediterranean, but our knowledge of it is primarily of the past.

I submit that one can go from one university to another in our country, in an effort to study the history of the world, and he will generally be able to find courses in the history of the European areas, but it is almost impossible to find a comprehensive treatment of the economics, sociological foundations, cultural background, and political institutions of the Asiatic area or the Near East.

Yes; we are informed students of Europe, the British Commonwealth, and a few of our own insular possessions. However, basically, we have not gone much further than that.

I wish to direct a few general remarks to one of the areas which we ought to know more about. It is the Near East and Africa. It is the area which gave us Carthage, it is the area which gave us the valley of the Euphrates, the valley which constituted the cradle of civilization and in which civilization first moved. It may well be that it will be the area in which civilization will be consumed unless we pay more attention to it.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. BENTON. As the distinguished Senator from Minnesota knows, having been a teacher, practically all the scholars in this field have stopped in the era of about 2,000 years ago. All the great scholars in the field deal with the valley of the Euphrates, the valley of the Nile, the Assyrian dictionary, and so forth, and our universities put vast sums of money into scholarships in connection with such studies. However, there are virtually no scholars of any eminence who deal with the era to which the Senator from Minnesota has referred.

Mr. HUMPHREY. I thank the Senator from Connecticut. He has certainly hit the nail right on the head. He knows that what he has stated is the sad truth of our educational structure. Great archeological studies have been made; many discoveries have been made; there has been much digging into the ruins of the past; but what we need is to dig into some of the problems of the present. That is what I direct my remarks to.

Mr. BENTON. Mr. President, will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. BENTON. As I look at the distinguished senior Senator from Illinois [Mr. DOUGLAS], who sits in front of me, I am reminded, as I remarked the other day, that he was a very distinguished ornament of the faculty of the University of Chicago during my period of interest in the university. I am certain that the Senator from Minnesota is aware of the fact that during 1930 and 1931 the University of Chicago had 13 archeological expeditions operating

throughout this area, dealing with the era of around 325 B. C., before the conquest by Alexander the Great, whereas, to my best knowledge—and the distinguished Senator from Illinois knows better about it than I—I do not recall a single eminent member of the faculty who concerned himself with the modern history or the problems of that great and critical area of the world.

Mr. HUMPHREY. When I have two former members of the faculty of the University of Chicago sitting near me, I feel that the process of education comes to me by osmosis. I wish to say to the distinguished Senator from Connecticut that when he calls the Senator from Illinois an ornament, I disagree with him. I would say he is an oracle, not an ornament.

MUTUAL SECURITY AND THE NEAR EAST

Mr. President, in general terms I think it is fair to say that democracy is on trial in the world on a more colossal scale than ever before. A keen political observer, our late President Roosevelt, made that statement more than a generation ago. Were he alive today, he would have good cause to reaffirm it, for our way of life is indeed on trial, not only ours, but that of all free peoples, that of all nations which cherish liberty and what we call the dignity of the common man.

A dynamic totalitarianism, more deadly than any of its predecessors, is stalking the world. Mr. President, I wish to repeat the statement that a dynamic totalitarianism, more deadly than any of its predecessors, is stalking the world. Too often we think that our opposition, our enemy, is not being dynamic, but is just being brutal. However, in fact it is a dynamic power. Its aggressive activities have shocked those of us who know the blessings of freedom into a united effort to preserve them.

Even before the Second World War's close, the Soviet monster had whetted its appetite by subverting legitimate Balkan governments. The first obvious postwar attempt at aggression was the Kremlin's move in northern Iran.

While we were still thinking that we could be friends with the Soviet Union, the Soviet Union was getting ready to move into Iran, in the Near East. That was Russia's first move after the cessation of hostilities against the Axis powers. Russia has tried for years to gain control of that area of the world, as I shall point out in more detail later in my remarks. Russia's move in northern Iran was shroty followed by a renewal of guerrilla warfare in Greece, in the Mediterranean area, and then came the Berlin blockade, and finally the open assault in Korea.

Mr. President, anyone who is a student of history will remember that it was the Czars and the old Prussians who talked about "Berlin to Bagdad" and "from Moscow to Bagdad." The triangle in which they were interested was from Berlin to Moscow to Bagdad; and they are still at it. That is why the Communists are making the show of power that they are making in East Germany. If the Communists can take over Germany, they will take over Bagdad, the

capital of old Persia; and if they take over all of Germany and the Near East, with their great power they will be able to take over most of the world, and then we shall live only by their sufferance.

If the Communists can take over all of Germany, the industrial workshop of Europe, and can also take over the Near East, which is the greatest reservoir of natural resources in the world, with the power which the Communists then will have under their control, they will have the mastery of the world; it will be only a matter of time. Mr. President, it is against this that I speak.

All the moves I have mentioned have dovetailed into the single whole which the free peoples have come to recognize as Stalin and company's master plan for world conquest. All underscore the vital fact that Moscow is prepared to exploit every channel to secure its ends. Propaganda, subversion, sabotage, military attack—all of these are tools in the Kremlin's kit for world revolution.

President Truman recently spelled out the danger faced by the United States and the rest of the free world, and the letters were boldly and clearly drawn. He said:

Our country has greater economic strength and larger potential military power than any other nation on earth. But we do not and we should not stand alone. We cannot maintain our civilization if the rest of the world is split up, subjugated, and organized against us.

The President could not possibly have overemphasized the need of the free world for unity and strength.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD, in connection with my remarks, a survey of the resources of the western countries, as compared with the resources of the U. S. S. R. The survey is a study of the distribution of economic resources.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Morning Tribune of May 29, 1951]

WESTERN RESOURCES SURPASS U. S. S. R.'s

In his report to the American Congress in January Gen. Dwight D. Eisenhower declared: "We are going to build for ourselves a secure wall of peace." An analysis of the war potential of the western nations shows beyond any doubt that they possess, in full measure the material means to implement this promise.

Together, the North Atlantic Treaty Organization countries have a clear superiority in economic resources and productive power over the Soviet Union and its satellites. If the colonial territories and other overseas associates are excluded, the total manpower of the western nations is somewhat smaller than that of the Soviet bloc.

On the other hand, their populations are better fed, better educated, more skilled, and much more highly industrialized. The result is that as a producing unit, each man in the Atlantic community is relatively three times as effective as his Soviet counterpart.

In the basic materials—steel, iron, copper, zinc, and cement—the annual output of the Atlantic alliance is four or five times that of the Communist countries. The western nations possess three times as much coal, four times as much electricity, and eight times as much petroleum. In the case of wool,

cotton, and rayon, their annual production is six times greater.

The comparison of the total output of agricultural produce is less unfavorable to Russia. But this is to some extent deceptive in view of the larger number of mouths to be fed in the east. In the western countries, grain production is 65 percent, meat supplies 40 percent, and sugar production 50 percent greater than in the east.

It is, perhaps in the means of transport—such a vital element in the modern military organization—that the Soviet economy is relatively weakest of all. In relation to its land area, the western world has four times the length of railway track. It has 14 times as many registered motor vehicles. Its tonnage in merchant shipping is more than 30 times and its tanker tonnage nearly 100 times as great as that possessed by the Soviet countries.

	North America	Western Europe	Total Atlantic allies	Soviet bloc
Population (millions).....	163	299	462	753
National income (million United States dollars).....	228,628	117,500	346,128	100,478
Steel (million metric tons).....	73.5	47.9	121.4	27.5
Textiles (million metric tons).....	4,294	735	5,029.9	824
Grains (million metric tons).....	176.3	65.9	242.2	149.3
Crude petroleum (million metric tons).....	297.6	36.3	333.9	40.0

NOTE.—These figures do not include the resources of the British Commonwealth (apart from Canada) nor those of overseas countries associated with other European nations. The figures given for the Soviet bloc include China.

Distribution of economic resources

	Combined total, 100-percent	
	Atlantic Community	Soviet World
	Percent	Percent
Area.....	44	56
Population.....	31	69
National income.....	55	23
Grains.....	64	36
Livestock.....	58	42
Sugar.....	57	43
Fertilizer.....	67	33
Steel.....	82	18
Pig Iron.....	80	20
Copper.....	88	12
Zinc.....	82	18
Cement.....	82	18
Timber.....	38	62
Textiles.....	86	14
Electricity.....	83	17
Coal.....	72	28
Petroleum.....	90	10
Motor vehicles.....	92	8
Tankers.....	97	3
Merchant fleet.....	96	4

Mr. HUMPHREY. Mr. President, Abraham Lincoln borrowed a phrase from the Bible when he said that "a house divided against itself cannot stand." Mr. Lincoln was thinking in terms of a united nation. Today, we must apply the same reasoning to a united, free world.

Time and again, it has been demonstrated that united strength is the only master to which the Kremlin's strategists will bow. In early 1946, Moscow—disregarding its treaty obligations—refused, as I have said, to withdraw its troops from northern Iran. It also engineered the bloody revolution in the key Azerbaijan province. United democratic pressure, exerted through the

United Nations, forced Soviet withdrawal and assisted the Iranian Government to snuff out the fires of revolt.

Mr. President, our own President took a firm stand on that issue. President Truman dispatched to Marshal Stalin a note in which he very curtly said that he expected the Soviet troops to be withdrawn on the date provided by the agreement for their withdrawal. There, again, in the face of a show of determination, purpose, and strength, the Soviet masters yielded.

Communist-led guerrillas, aided and abetted by the Kremlin's Balkan satellites, sought to overthrow the legitimate government of Greece in a campaign beginning in the summer of 1946. The United Nations Security Council took concrete action to bring the situation under control, and the United States acted with the United Nations. American guns and technical assistance helped the courageous Greek armies to drive the guerrillas back into the northern hills.

The Truman doctrine, promulgated on March 12, 1947, represented America's full recognition that hers was the role of keystone in the defensive arch which the free world was just commencing to build. That doctrine was America's recognition that Soviet expansion must be contained if the free nations are to survive. It was America's recognition that neither she nor any other free nation can afford to go it alone.

Mr. President, I say that a decade or a generation from now there will be a clear recognition of the fact that the firm action which the United States took at the time of the Communist attack upon Greece, as the Communists attempted to take over that peninsula which juts into the Mediterranean, may well have been the most decisive action we ever have taken.

Again, Mr. President, I know that wherever and whenever the Communists strike, they strike where there is a strategic reason for striking. They struck in the area of Greece in order to gain control of the Mediterranean. They struck in the area of Korea in order to gain control over the Japanese mainland and over that part of the Pacific area. It is time for us to realize that when we become engaged in that kind of a game, we must go into it, not short of change, but loaded, so as to speak, and prepared to stand firm.

The Marshall plan was but another step—a master stroke, as it has turned out—in the drive to build freedom's bulwark. We have been paying out American dollars to foster Western Europe's economic stability as a deterrent to aggression, and in the process we have been guaranteeing our own security.

Mr. President, it is about time that we Americans appreciated that which has been stated again and again, namely, that we have not been merely feeding the Europeans or building up their industries, but we have been strengthening ourselves, we have been building up the family of free people, so that we can stand as equals, as partners participating in a common effort. The drawing up of the North Atlantic Pact

in early 1949 and the inauguration of the mutual defense assistance program shortly thereafter were but logical steps in the further development of the democratic world's strength and unity.

Then, Mr. President, we made what I consider to be a prudent and wise decision to send troops to Western Europe. This is all a part of a great program which has been worked out by the people's representatives and by their President and by those who are responsible for our foreign policy. It is the greatest program which any free nation has ever conceived or has ever hoped to put into operation—a program to save humanity, and to preserve the peace and protect and expand freedom. It has been undertaken in the hope that we shall not have to suffer the fire and the destruction of war.

If we Americans want peace and security, we must build the strength of our allies as well as our own; and we ought to quit insulting them. I do not see how we can expect to have friends around the world, even amongst our allies, simply by giving them guns and money, if we continually insult them. Sometimes we might save a little money if we were just a little more kindly toward them. Mr. James Reston, great correspondent for the New York Times, wrote an article which was reported in the Reader's Digest. I think the title read something like this: "We ought to quit insulting our friends"—or "our allies." I suggest that is something we can do, and it would not cost us a penny. We can quit insulting our friends in Great Britain, our friends in France, our friends in all of Western Europe, and our friends elsewhere around the world. To be sure, they have their shortcomings; but if we are to have a debate on the subject of shortcomings, it will be the longest debate in the history of the world, because it will involve the limitations and the liabilities of every human soul on the face of the earth.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to the Senator from Idaho.

Mr. DWORSHAK. Might it not be a good policy for some of our allies to stop insulting the American people?

Mr. HUMPHREY. May I join with my friend from Idaho and say I am trying to speak of love and affection, instead of insult and injury—trying to accentuate the affirmative for a change.

Mr. DWORSHAK. It is a two-way street, is it not?

Mr. HUMPHREY. Indeed, it is.

As I said, if we Americans want peace and security we must build the strength of our allies as well as our own; and we must also understand what they have to contribute to us. We must understand what it would mean to lose Western Europe. We must understand in terms of what this program calls for, what it would mean to lose Western Europe. As I see this program of \$5,000,000,000 for military assistance to Western Europe, it is high, it seems, on the face of it. But a high price is a bargain, if Western Europe stands firm, because in Western Europe there is the second greatest in-

dustrial workshop in the world. In Western Europe are the kind of people who will stand with us.

I recall the brilliant speech of the Senator from Illinois in the troops-for-Europe debate, when he gave us the documentation statistically that Western Europe, in the hands of the Soviet, would throw the balance of power to them.

Failure to strengthen our allies would mean abdication of our responsibilities as leaders of the free world. It would mean standing meekly by as the Kremlin swept the board clean. The Communist aggression in Korea has underscored the rightness of this thesis. Had not the United Nations, inspired by America's action, moved against that aggression, a localized blaze might well have become a global conflagration.

Further, the current Korean peace talks, whatever their outcome, should not lead us to conclude that lambs can lie down with lions. The Kremlin, true to the tradition laid down by Lenin, has always been prepared to back track and cut its immediate losses in the interests of furthering its ultimate strategy of world conquest. The free world must continue to add to its strength, must continue to cement its unity.

Mr. President, I think that if one would take a graph or a chart and see how public opinion runs in America—and sometimes even in Congress, itself—he would find that every time Old Joe Stalin starts cooing like a dove—if anyone can ever think of such a thing, for indeed it would be ironical—whenever he starts to sing sweet words of peace, we start wondering whether it is going to cost too much to remain free. Every time Joe Stalin starts making a new pact, or something in which we can become involved, somebody says, "Well, maybe so; we ought to take a new approach and cut our appropriations, or maybe cut down the armed services."

Mr. President, it will take much more than the subtle cooing of Joe Stalin ever to convince this United States Senator that we ought to back-track 1 inch on the objective we have set before us. Indeed, the fact that he coos should alert us, because he is undoubtedly getting ready to strike some place else, and there is plenty of evidence on the great international horizon that that is exactly what he is intending to do.

My plea to my country, Mr. President, is that we ought to move faster. My plea is that we ought to mobilize sooner and quicker, that we ought to convert more plants to the production we need so desperately.

There is nothing I can see—and of course, I am only one—that would indicate that we are in any better shape internationally, in terms of peace, than we were the day that the war in Korea broke out. Even if that war is settled on the most favorable terms to the United States and to the United Nations, we can rest assured that the serpent of Communist military aggression will strike again. It will only respect the free peoples of the world when the free peoples are sufficiently strong to make the men of the Kremlin clearly understand that any move on their part will

mean their complete, total destruction.

In the meantime, as we do this, we need the other blade of the sword, which is the strong program, the long-developing program of economic, scientific, and technological assistance.

Yes, Mr. President, this Congress is currently considering legislation which may well cap the free world's efforts to erect an insurmountable barrier against aggression. I refer, of course, to the mutual security program. The program is, in essence, not a new one. Rather, it represents the pulling together of all of our economic, technical, and military assistance programs into a single whole. It seeks to give those programs the coordinated direction so essential to making the free world's drive for security of maximum effect.

The mutual security program is dedicated to the premise that positive action is sorely needed in this danger-fraught world. It rests on the further assumption that such action must be shared by all free nations.

We Americans need our allies even as they need us. We cannot afford to see the Russian Bear dine on a Europe whose strategic position, spiritual compatibility, and industrial plant are so essential to freedom's cause.

In my mind's eye, I can see that great black bear of the Soviet simply drooling at it looks at what is in Western Europe. We cannot afford to see southeast Asia fall prey to the Communist onslaught. Today there is a great struggle in southeast Asia, and once in a while I think it would be well for the Congress to pay tribute to the valuable defense of freedom which the French troops and their loyal allies of Viet Nam are making in Indochina. If Indochina were lost, it would be as severe a blow as if we were to lose Korea. The loss of Indochina would mean the loss of Malaya, the loss of Burma and Thailand, and ultimately the conquest of all the south and southeast Asiatic area.

Mr. President, what else would that mean? I had a meeting this afternoon, along with my distinguished colleague and friend the senior Senator from Minnesota [Mr. THYE], with Charles Wilson, with Manly Fleischmann, and others who are in charge of our defense, and I heard the sad story from them that America today is a nation that has a great deal of "have not." We do not have enough nickel. We do not have enough tungsten. We do not have enough chrome. We do not have enough magnesium. We are short of many, many critical materials. We are short of rubber. We are short of tin. We are short of many strategic metals that we need so desperately for our defence system. Where are those metals to be found, Mr. President? They are to be found in the southeastern Asiatic area. They are to be found in the Near East, the areas I am talking about, and that is exactly why Stalin is trying to get them from us by a war of attrition, to deny us the raw materials which we need so desperately in order to keep a modern industrial machine under way, even in peacetime, much less in wartime.

We cannot afford to see the Near East and Asia fall prey to the Communist onslaught. This, for basic humanitarian as well as for strategic reasons. Nor can we allow the vital, little-understood Near East to slip into the Soviet fold. A communized Near East could easily mean the difference between the retention and loss of our free society, because, Mr. President, history tells us that the Near East is the bridge between the Old World and the New. The Near East, the area known as Asia Minor, the area which is better described as the Mediterranean area, and the Asia Minor section is the great bridge between the mystic lands of Asia and the dark lands of Africa, which may very well spell the balance of power in a great, long struggle between communism and freedom.

We owe it to ourselves as free men to understand fully the issues at stake in the Near East and its environs. Why did President Truman, in introducing the mutual-security program to Congress, ask for \$540,000,000 in military and economic aid for the Near East and nearby African countries? What has the American taxpayer to gain by investing \$540,000,000 in the vast, often arid land bridge which links Eurasia and Africa? Let us take a look-see. But, first of all, Mr. President, I shall quote from the committee report so as to identify that area more specifically. The committee report, on page 26, has this to say:

Title II covers the area comprised of Egypt, Ethiopia, Greece, Iran, Iraq, Israel, Jordan, Lebanon, Liberia, Libya, Saudi Arabia, Syria, Turkey, and Yemen. (Greece and Turkey are dealt with under title I of this report as economic assistance for them is included therein. Military aid for these countries is authorized in the bill under title II.) This area is of great strategic importance. It contains some of the world's major air and sea lanes, is a highway and an access route between Asia and Africa, and possesses valuable strategic materials, especially petroleum. Because of these great assets the region, although a part of the free world, has been under constant Soviet pressure, notably propaganda, subversion, and guerrilla warfare.

The Soviet Union has made capital of the racial antagonism, the social unrest and the widespread poverty which prevails among the people of the Near East. In Iran, for example, the Soviet Union is now exploiting the prevailing poverty to spread doubts abroad and hostility toward the Western World without offering any constructive program with which to correct the basic needs of Iran.

Our problem is that we must have a program. We are not out to ruin the world; we are out to help it. The Soviet has a program of lying and cheating, deception and force—all the basic evils. We find ourselves frequently being critical of our efforts. We have to create new ideas—clean, good, and constructive. Russia merely has to appeal to that which mankind has known since the time Adam ate the apple—the forces of evil.

Let us talk about the Near East, or the Middle East, as the British call it. It has long been the scene of great-power struggle. For some 150 years its domination has been Russia's ambition.

I would recommend at this time to my colleagues that they study some of the

great histories which have been written about the Near East, some of the great documents which have been written on world power and world politics. It involves an ambition which the Czars have had in the back of their mind ever since the time of Peter the Great when he first opened his eyes to the rest of the world and the domination of the Near East. It is part of the national imperialistic history of the rulers of Russia.

Only the presence of a strong and determined British Empire astride the Mediterranean served to hold that ambition in check. As long ago as 1813, the Persians were forced to cede much of what is now the Russian Caucasus area to the Czar. And there is an abundance of historical evidence testifying to the certainty that the Russians were prepared to drive on to the Persian Gulf if but given the opportunity. The British never gave them that opportunity—and for good reason.

We can say all we want to about the British. I do not suppose they were being charitable at that time, but it was better to have the British there than to have Russian domination; and right now it would be better if the British and the United States were there rather than Soviet Russia.

Stalin is no less greedy for near eastern spoils than were the czars. We have only to glance at the recently published documents on Nazi-Soviet relations for verification. In November 1940, Molotov, who was the Soviet Foreign Minister at that time, laid down the conditions under which the Russians would agree to divide up the postwar world with the Axis Powers. One of those conditions was that Hitler recognize Soviet aspirations in the area south of Baku and Batum in the general direction of Iran and the Persian Gulf.

When the dictators were dividing up the world, Stalin said to Hitler, "Listen; we have been waiting around here since the time of Peter the Great to get hold of the Near East, and if we are going to join with you, we want that area of the world."

Clearly, the Russian bear was all too eager to scrape his claws across the Mediterranean.

The story has been pretty much the same since World War II's end. Moscow's pressure on Iran, its demands that Turkey agree to place the vital Dardanelles under Soviet domination, its inspiration of rebellion in Greece—all these things substantiate the Soviet's continued longing for the Near East. The traditional drive for warm-water ports and a seat in the Mediterranean sun has joined Marxist dogma to make the Soviet threat to the south more formidable than that of the czars ever was.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from West Virginia.

Mr. KILGORE. Russia has complained of being excluded from warm-water ports; has she not?

Mr. HUMPHREY. That has been the rationalization.

Mr. KILGORE. And that is the old imperialistic attitude. They hope to get

warm-water ports by a conquest of Turkey, Iran, and the Near East.

Mr. HUMPHREY. That is correct; the Senator is absolutely right. The traditional drive for warm-water ports is a part of the Russian program today.

Mr. KILGORE. Is not that one of the best pieces of propaganda that can be imposed on the Russian peasant as a reason why he should join in trying to conquer the rest of the world?

Mr. HUMPHREY. That is correct. The line of the Soviet has been, "You stick with us, and we will get you a warm-water port. We shall control the Dardanelles, and you can enjoy the wonders of that great area."

The Soviet urge for the Mediterranean and America's stake there are well summarized in a recent policy statement issued by the United States Chamber of Commerce. Declared the Chamber:

Both in strategic position and in natural resources, the Near East and the Middle East occupy a critical position in the world today. This area is one of the crucial directions of Soviet expansion. The strength and stability of all countries in this region is essential to American security.

The Chamber of Commerce speaks wise words.

Historically, the Near East has more than done justice to its role as an intercontinental land bridge. It has ever been the route of conquerors—the great and the near-great. Alexander of Macedon, the Seljuk Turks, Genghis Khan, Tamerlane—all swept to control of the area through exercising that control for varying periods of time. And the Ottoman Turks consolidated both the Mediterranean countries and southeastern Europe into an empire that endured for over 300 years.

As a global center of communications, the Near East is truly crucial to the free world today even as it was during World War II. It lies athwart the principal lines of sea and air communication in the Eastern Hemisphere. Domination of the Mediterranean by a European superpower—and the Soviet Union is such a superpower—could easily mean control of Africa, Asia, and ultimately of the world.

Winston Churchill stressed the strategic importance of the Near East in a recent book. He pointed out that Axis air power was able to close the entire eastern Mediterranean to Allied shipping for months during World War II by utilizing bases in Southern Europe and on the north African coast. It was only after Rommel's defeat in Libya that the Allies were able to use the Mediterranean with impunity. The denial of the vital waterway to Allied shipping undoubtedly exacted a tremendous toll in lives as well as in time and dollars.

This situation, Mr. President, lucidly points up the military significance of the Near East and North Africa. Can you conceive of what it would mean to the free world if the Soviet Union were to control the Mediterranean at the outset of another global conflict? Can you imagine what such control would cost us?

The manpower resources of the Mediterranean and adjacent areas are like-

wise significant. An estimated 100,000,000 people live here at the crossroads of the world. These people can be depended upon to support the cause of freedom if given the wherewithal to better their economic position and to withstand the threat of aggression. The Arab States and Israel alone have some 250,000 men under arms, many of them well trained in the use of modern military equipment. Along with the forces of Greece and Turkey, these troops—if properly supported—can constitute an effective weapon in the arsenal of democracy.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that Israel has compulsory military service, and, therefore, could put 200,000 men into the field?

Mr. HUMPHREY. That is correct. They have had compulsory military service ever since the inception of their State.

Mr. DOUGLAS. They have had compulsory military service, as well as compulsory civilian service, for a period of approximately 2 years, have they not?

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. So that Israel has probably the strongest army in the Near East.

Mr. HUMPHREY. I will say to the Senator from Illinois, who has taken such a deep interest in the economic welfare of the new State of Israel, that it appears to me that the State of Israel is one of our strongest links in the Near East, and that she can make great contribution, not only to the stability of that area, but to the whole force of freedom in the Mediterranean and in Eastern Europe.

Mr. DOUGLAS. If the Senator will further permit me—

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I hope I do not reflect unduly upon the State Department, but is it not true that the predictions of the State Department concerning Israel have been shown to be almost completely false? The State Department expected Israel to go down. The State Department expected that Israel would not be able to defend itself. The truth of the matter is that not only did Israel defend itself against the Arab attack, but it has built up a strong nation of Israel.

Mr. HUMPHREY. I know that there was a period of time when our Government was surely vacillating about the recognition of the independent status of Israel. I have long worked for a free and independent Palestine.

Mr. DOUGLAS. I think it is a general understanding that the State Department was hostile to Israel, that the Department adopted a pro-Arab and pro-British attitude and position by shutting off aid to Israel, and expected Israel to go down. I think that background should be considered, because a great many of those approaches still carry over in spite of the fact that history has shown them to be false.

Mr. HUMPHREY. In reply to the Senator from Illinois, I will say that it should be clear now even to those who

had the strongest doubts, that because of its valiant people this little nation is firmly implanted and will survive. It has the will to survive; I emphasize that. What Israel has done is another demonstration of the fact that if a nation has the will to live, it can survive against tremendous odds. The armies of several nations moved against Israel, and yet she survived, and she will continue to survive. I intended to point that out later in my speech, but inasmuch as it has now been brought up, I shall deal with it at this point.

Let us take a look at the State of Israel. Israel is in an arid area of the world that is supposed to be literally lost. Its soil was exploited. Its people were oppressed. Yet in that poverty-stricken, arid region of the world, a determined people, with creative ability, with ingenuity, with perseverance, with limited economic resources, have literally converted vast areas of that country into a fertile garden.

My legislative counsel is visiting Israel, and I have received many letters from him. He says that present day Israel is one of the most thrilling and inspiring sights he has ever seen. The people have been able to take the soil, which was as dry as the sand one finds on the side of the road, an area that was naked, without any covering whatsoever, and by means of irrigation, by the use of science and technology, literally to create whole areas into rich farm lands producing all sorts of fruits, vegetables, and cereal grains. I think that is a great example of what can be done by the will of the people and the application of science to the building up of a nation.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BENTON. Does not the Senator from Minnesota think that in emphasizing the great development of irrigation and the farms he may be tending to overlook the remarkable industrial progress in Israel? Is he aware of the fact that Israel is already producing a high percentage of the arms for its army of 200,000 men? Is he aware of the fact that the population, doubling in the last 3 or 4 years, has unleashed in the industrial field the kind of enterprise and initiative which we like to associate with the best of what we call the enterprise system in the United States?

Mr. HUMPHREY. I thank the Senator from Connecticut for that contribution, because he is intimately acquainted with this development. I was aware, in broader terms, I may say to the Senator, without all the details the Senator has, that there had been great industrial development. And there is going to be more of it, because these people of Israel are determined to live. I say that the best example we can have for the unprivileged peoples of the world is a laboratory of democracy. I look upon the State of Israel as an experiment station in the free way of life. She is a living demonstration of freedom on the march.

In our country we have what are called agricultural experiment stations. There is where we try out new ideas in agricultural methods and practices. In Israel we find a land which has been, through

the centuries, depleted of its fertility, its soil destroyed. Here we see a new model state, created out of that soil by means of the will and the work of its people. Here we have a source of what we may call propaganda for the way of life the people of Israel have adopted. Here we see an example of what freemen can accomplish. Here we see what a free people, by their will and their work and by applying science, have been able to create. It is a laboratory in which a free people have demonstrated what can be done in a democracy.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KILGORE. I know that the people of Israel have done what they once did, and made of Palestine a paradise for farming and also for industry. I wish to ask the Senator if he is aware that there are two other gateways to heavy commerce, one being the line of islands that separates the Indian Ocean from the Pacific, and the other being the Panama Canal.

Mr. HUMPHREY. That is correct.

Mr. KILGORE. The Senator is no doubt aware that until World War II European nations practically controlled ingress to and egress from the Panama Canal, through the Caribbean, and that originally the same group controlled the islands that permit the egress of heavy industry from the Indian Ocean to the Pacific. Since that time there has sprung up in the Far East the Republic of Indonesia, which controls the self-same islands which used to be controlled by the Dutch, the French, and the British, and that gateway is now under the control of the Republic of Indonesia.

Mr. HUMPHREY. That is correct.

Mr. KILGORE. The islands that control ingress to and egress from the Panama Canal are still controlled by countries of Western Europe. So I ask the Senator: Is it not a safe conclusion that it is a very wise investment for the United States of America to bolster the Republic of Indonesia, to bolster the Western European countries that help us control the Panama Canal, which is one of the three gateways, along with the Mediterranean, as well as to help bolster up the Near East, including the State of Israel, in order that we may continue the control of vast sea areas for the transportation of heavy freight, which cannot be flown, which must be carried in ships. Without control of those islands, ships will be denied passage. Those three groups must be protected in their efforts to strengthen their economy and to strengthen our economy along with it, by remaining strong and able to resist aggression by hostile countries?

Mr. HUMPHREY. The Senator from West Virginia is certainly correct. He surely knows that our country has been making determined efforts in southeast Asia along the lines he has suggested, and the same should be done in the Middle East.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I do not want to ride the State Department too severely, but is it not true that in the initial phases

of the Indonesian struggle for independence, the State Department was, on the whole, on the side of the Dutch, and handicapped Dr. Graham very much in his negotiations, and that it was Dr. Graham, working almost alone against the opposition of the State Department, who was able to bring about a policy of friendship for Indonesia and the creation of an independent republic of Indonesia?

Mr. HUMPHREY. I think the Senator from Illinois is definitely correct. The State Department does not seem to have carried on in the fervid spirit of democracy with which it has expressed itself. I think it was Mr. Cochran who followed Dr. Graham.

Mr. DOUGLAS. Yes.

Mr. HUMPHREY. He did a remarkably fine job. I wish to add that it seems that in many of these instances we lost the spirit of venture and the revolutionary spirit which was ours; too frequently, when people who had been under the domination of other powers aspired to freedom we sort of felt we have a commitment to maintain the status quo. Of course, it is easy for the Soviet and the Communist international movement to stir up trouble. That is what they want to do. If they can stir up enough trouble they will be able to take over.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BENTON. If the distinguished Senator from Illinois [Mr. DOUGLAS] is correct, would not this seem to indicate that the charges that Communists dominate the State Department are wholly false? Is not his statement in direct contradiction to any intimation of Communist domination of State Department policies?

Mr. HUMPHREY. I am convinced that the statement of the Senator from Illinois is correct, and I am convinced that the charges of Communist domination in the State Department are ridiculous.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KILGORE. Is it not plainly evident that, if anything, the State Department is a little too conservative, and that it should not be charged by the advocates of conservatism, as they have so frequently done, with not being conservative enough?

Mr. HUMPHREY. From my point of view, the State Department frequently does not venture forth, as it well might, with creative and imaginative ideas. Sometimes it is addicted to the love of the past and the security it gives. If the Senator is saying that the State Department is too conservative, that is a matter of individual judgment. I simply say that sometimes it is a little slow on the uptake. That has been well documented.

Mr. KILGORE. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. KILGORE. When I said "conservative," I meant that it was dealing with the past. The critics of the Department charge it with going too far

into the future. It is plainly evident that in making the mistake of not supporting the ideas of Dr. Graham, our former colleague, at the outset, the Department was plainly sticking to rather hide-bound principles of the past, which members of the Department say they defend so loyally and so conservatively, instead of branching out and looking at the situation as it now exists, as did Dr. Graham and his successor. Is not that the Senator's idea?

Mr. HUMPHREY. The State Department was trying to take into consideration, first, our relationships with the Dutch. At the same time, I suppose it was somewhat reluctant to recognize this upstart nation. There are always those who resent the new. There are always those who feel that we have had ours, and that we should not let anyone else get in. I do not think we should be too critical of those who have offered us advice and counsel from the State Department. They have forwarded some sensible and practicable programs, but I think it is fair to say that they are not programs which are revolutionary. They are not programs beyond the realm of practicability. They are sound and practical programs. Possibly the Department has gone as fast as it could in terms of some of the obvious conflict which exists, even on the floor of the Senate. The Department frequently finds itself criticized on the one hand for spurious activities, and on the other hand finds itself being branded for subversive activities. From still other quarters it finds itself criticized for no activity.

If we pass this bill and add a few more dollars to it—my friend the Senator from Illinois is going to speak a little later on his amendment relating to the Near East—I think we can make some progress.

Mr. KILGORE. Mr. President, will the Senator yield for one further question?

Mr. HUMPHREY. Mr. President, I should like to conclude at this point.

Mr. KILGORE. Very well.

Mr. HUMPHREY. Mr. President, we have heard a great deal about the oil resources of this area. Oil—the black gold so essential in a technological age—is the treasure of the Persian Gulf. It has been also a major bone of contention among the big powers for generations. Recent newspaper headlines indicate clearly that its status in this respect has changed little. Near eastern oil is estimated to account for about 50 percent of the world's total indicated reserves. Normally, Western Europe gets about three-quarters of its oil from the Near East. The United Kingdom gets about one-fourth of its oil from there. In 1950 Iran's production alone was 6 percent of the world's total. Iran also boasts the world's largest oil refinery—the huge British-built installation at Abadan.

I think it is pretty obvious what the Soviet is attempting to do in this area. If she can disrupt the production of petroleum and petroleum products, if she can create a contention and disturbance

and revolution in these areas, if she can drive one group against another, she is going to deny Western Europe three-quarters of all the oil Western Europe now has. The industrial machine of Western Europe will not work without oil, any better than will ours. At the same time, it is possible for Russia, with proper planning and proper construction, to be able to get a good deal of that oil. I do not believe that the Soviet would get as much of that oil from the Near East as some people think it would, but it would prevent other people from getting it. That is why right now the materials-control plan of our Government is being revised and steel for civilian production is being cut down. We must build more oil refineries in the United States. We must build substantially larger numbers of oil refineries in the United States. Why? Because we are unsure as to how much oil we will get out of the Near East. That is why some small-business men have not been able to get steel. That is why contractors cannot get structural steel. Because of what is happening in the Near East, because of the threat to the oil supplies, the plans of our Government have had to be revised in terms of the refining of petroleum products.

Oil is the lifeblood of an important segment of industry in peace. It is equally vital in war. If the free world were to lose access to the Near East's oil, the strain on its other sources might well be so great as to create a major emergency.

What, then, does the Near East mean to the free world? It can mean the difference between salvation and disaster. Strategic position, essential communications, basic natural resources, an awakening, self-assertive segment of humanity—all of these are characteristic of the area. Absorbed by the Soviet colossus, the Near East could easily weight the scales of power—now tilted in favor of the democracies—to the Kremlin's advantage. The Mediterranean was the cradle of civilization. We must beware lest it become civilization's grave.

What are the chances that the Near East will swing into the Soviet orbit? This is, perhaps, one of those delicate questions. But it is also a crucial one. And it must be faced. For the Middle East today is truly one of democracy's vulnerable spots. It has long been what political scientists refer to as a "vacuum" area—an area so instable as to invite a contest of power. It is fully representative of the global conflict between the forces of freedom and those of totalitarianism.

When I read in a very famous document on political science that this was called a "vacuum" area, I remembered what Gromyko once said. Gromyko once said that whenever there is a vacuum in world politics the Soviet Union rushes in. That is what she has been doing in this area.

A wise man once said that "poverty is no sin." But, Mr. President, poverty can be an inducement to sin. And poverty is virtually a synonym for much of the Near East. Its terrible reign among the

millions of little people is literally manna from the heavens for the Soviet goliath. Harassed by an outmoded, grossly unfair land-tenure system, ravaged by disease, hungry and illiterate, the great majority of the Near East's population make an excellent target for Soviet propaganda and subversion.

If any of my colleagues are inclined to question my estimate of the general situation in the Near East, I refer them to an article written by Supreme Court Justice William Douglas in a recent edition of *Life* magazine. Justice Douglas, as you know, has something more than a scholarly acquaintance with the Near East. He has spent considerable time there.

To those who cannot accept the word of Justice Douglas, I say make use of any other objective report. Converse with those who have visited this area, and learn what the true conditions are.

In his article, the Justice not only sketches the typical peasant's poverty-ridden existence in some detail. He goes further. He demonstrates—by example—how the Soviets have played upon the conditions of the people and have thus made considerable headway. He asserts that Communist propagandists have sold the new society to hundreds of thousands of militant tribesmen to whom virtually any alternative would be preferable to their current miserly existence. He makes the telling observation that people who exist on a subsistence diet are nevertheless well equipped with radios, all too many of them persistently tuned to Radio Moscow.

It is very interesting to note that the radios are not supplied through some local radio salesman. They are cleverly supplied by the Communist agents in the area.

Statistics on the Mediterranean area tend to support Justice Douglas' assertions to the hilt. When compared with statistics on our own country, they vividly point up the wide gap existing between poverty and plenty. The average Arab peasant is fortunate to get 2,000 calories a day. The average American gets at least a thousand more. The average life expectancy in the Arab countries is about 30. In our own country it is in the middle 60's, and going up.

The infant mortality rate in many parts of the Middle East is shocking—one in every four births. In our country it is less than one in every thirty. The average income, in cash and kind, is some \$50 a year in a typical Arab country. In 1949, the average American income for individuals was better than \$1,800 per year. When the Iranian or Arab peasant is forced to borrow to make ends meet, it is common practice for the lender to charge him as much as 30 percent interest. The average American farmer can get a sizable loan at 4½ to 5 percent.

The Mediterranean countries are, with few exceptions, overwhelmingly dependent upon agriculture. Heavy industry is virtually nonexistent. Light industry is in an embryonic state, Israel, as was pointed out a few minutes ago, being virtually the only exception to the rule

in this respect. Despite the Near East's dependence on agriculture, the average yield in most countries of the area is well below that of the United States.

These statistics which I have just cited may seem dull. But they are vitally important. The paint a grisly picture which puts the proverbial four horsemen of the apocalypse to shame. They indicate all too clearly why Communist ideology is as much a menace in the Near East today as is Soviet military might.

I believe they point out that we need both the military and economic aspects of a program. The Soviets depend not only on armor, but on ideology. Soviet ideology has its effect among the depressed, oppressed, and exploited people of the world.

I hear so many people talk about the money that such a program will cost, particularly with respect to its economic aspects. They are sometimes called the frills of our foreign policy. Mr. President, it takes more than military assistance in an area such as the Near East. It takes very careful planning, social development, general welfare, land development, and soil conservation. Those are things that we know about. They are the things we can do best. We know about public health, education, soil conservation, generation of electric power, and irrigation. Those are things about which millions of Americans know, and it is not necessary to have universal military training to get it. We do not need to build an army for it. We can recruit the people and train them. Mr. President, I say we had better get busy about doing it.

If I have any criticism at all of the measure which we are debating it is that there is too little emphasis upon the broad program known as point 4. I repeat that the point 4 program is the most practical and the most durable enterprise of all. It is a program which in the long run may well be the answer to our own huge economic needs. The point 4 program produces wealth. The point 4 program makes possible production. We in America, after we have tooled up our factories for military purposes, when peace comes, we shall have this tremendous industrial establishment, and we shall be faced with the program of where we are to sell our goods. We shall have to export, because we are building up an export economy. Now we are exporting military supplies. Some day we shall have to export the supplies of peace.

Where are we going to export this supply? One cannot export to people who cannot buy. Unless we develop the soil and the markets, by our help and their help, with this broad and bold program, which is known as Point 4, we may find that we shall have to give them the money with which to buy our goods in order to keep our factories going.

I submit that those who think about economy had better think about Point 4, and those who are worried about what the mutual defense effort will cost had better think about the next decade or so. If the American policy is not to be a

catch-as-catch-can economy, or a fire-department policy which goes around putting out fires after they have started, we had better look to a sound program on which we can base action for the future. I say that if we could lift the standard of living of the people living in the Near East and the Far East by as little as \$50 a year per person, the United States of America would have to double every bit of its production in order to even touch the market, and then it might not even come close.

I repeat, Mr. President, if we could raise the income of every single person in the Asiatic area and the African area \$50 a year more than he now receives—we would not be able to produce enough farm machinery, we would not be able to produce enough food and fiber, we would not be able to produce enough in the way of manufactured goods, even to come close to satisfying the market. So it is good business for the great exporting, highly industrialized economy of the United States of America; it is good business.

The day of colonization is all over. We have to look to the day when these people will lift their own levels of living and thereby become customers for themselves in their own area, and for us.

Mr. President, I think of this problem in terms of the bill. I notice that for the Near East there is a provision for military assistance in the amount of \$396,250,000, and for economic assistance in the amount of \$122,500,000.

I know that the immediate threat is military. I am not going to be one of these starry-eyed gazing philosophers. I realize we have to come to grips with the realities of the day, and the Soviet has troops ready to march. But we also have to exercise what I call a prudent, balanced judgment. We have to know how much to put into the military to meet the immediate threat, and how much to put into the economic side to sustain the people for the long-run development.

Mr. President, we hear many Members of the Senate say, "We cannot carry the world on our backs forever." If that is true—and I agree with that sentiment—we have to see that some are able to carry their own load, and they cannot carry the load without a strong productive economy. That means the implementation of the point 4 program particularly, which is the soundest investment we can make.

Mr. President, speaking of the people in the areas affected who are sick, and the illiterate, I think it is fair to say that this sensitive Near East situation is further aggravated by the Arab refugees—the poor unfortunates who lost their homes as the result of the bitter struggle for Palestine. The 1949 armistices, brought about through United Nations efforts, restored a measure of stability to the disputed areas and saw the new state of Israel take its place as an effective entity in the family of nations. It also posed the problem of feeding, clothing, and housing three-quarters of a million poverty-stricken souls.

Here was a made-to-order opportunity for the Kremlin. Here was the means of fostering dissension through exploiting the emotions of a new group of underprivileged. Here was a new population pressure upon the economies of the Arab states bordering Palestine—states which were already hard pressed to provide employment for their own inhabitants.

Fortunately, the United Nations moved rapidly to cope with the problem. The United Nations Relief and Works Agency for Palestine and the Near East has managed to provide the refugees with a minimum standard of living, and has begun the slow but essential task of relocating them. Our country has contributed some \$43,000,000 to these operations to date. And that money has gone far toward making a good beginning. But it is only a beginning.

This, then, is the somewhat dismal picture of conditions in the Near East and contiguous areas. What can we, as Americans, do to change that picture? More pertinent, what must we do? Our basic humanitarian instincts prompt us to help the Mediterranean peoples to pull themselves up by their bootstraps. Our security, and that of the entire free world, demands that we do just that.

We must help these peoples to develop their economies and to raise their standards of living. We must help them build the strength necessary to preserve their freedom. Only thus can we discourage aggression from without and subversion from within. Only thus can we strengthen the will to achieve stability and progress. Only thus can we remove the sources of dissidence and unrest which currently preclude the growth of stability and the onward march of progress.

Mr. President, this morning there came to my office a group of young men and young women who had attended a world youth conference at Cornell University, a conference in complete contrast to the Communist youth congress which was recently held in east Berlin. They are young people of the free nations. I had a good visit with them. Many of them were colored people; they came from north Africa, from New Guinea, and from other parts of the world. The first question they asked me was: "Senator, we know that you have given much aid to Western Europe, but those are countries of white people. Will you give the same kind of aid to the colored peoples?"

I said, "Why do you ask me this question?"

They said, "Because this is what the Communists say you will not do."

Mr. President, those were the questions and comments of a young man from North Africa, and also one from British Guiana. They told me that the Communist movement in one of those areas now is working on the basis that there will be no help from America, wherever there is a problem on the basis of race.

I think we can prove what a lie the Communists are telling, by what we do in this bill; and I told those young people so. I said, "America wants to help those

who need help and who want to help themselves." That is what we are attempting to do by means of the pending bill, Mr. President.

The Near East and North African areas today lack certain essential natural resources. They lack credit, labor exchange, insurance, and other institutions essential to a going economy. Their transportation facilities are both archaic and limited. They urgently require a reservoir of skilled manpower and professional and executive talent capable of putting that reservoir to optimum use. They vitally need that assurance of a minimum security which will inculcate a desire to take risks, a desire to modify their socio-economic customs sufficiently to permit the advance of technology.

The peoples of the Mediterranean need both modern know-how and the rudimentary tools for putting that know-how to work. They need to know that the rest of the free world is aware of their problems. They need to know that America, as the heart of the free peoples' drive for security, is willing and able to help them solve those problems.

Working with and through the United Nations, we Americans already have done much for the countries of the Near East and North Africa. Our military missions in Turkey, Greece, and Iran have helped those nations to modernize their armed forces and to master the military techniques so essential to their defense.

Mr. President, I think it is fair to say that there are no better troops in the world, as our friends and allies today, than the troops of Turkey and of Greece.

Our economic missions have striven to see to it that aid coming into these countries has been used to maximum effect.

American enterprise, public and private, has begun to help these underdeveloped areas to fight the battles of disease, famine, and illiteracy. The United Nations Economy Survey Mission, headed by an American, Gordon R. Clapp, pointed out the road to establishment of a modern soil-conservation, flood-control, and irrigation system in the Arab States. Construction of the pilot installations recommended by the Clapp mission would help to convert an inefficient agrarianism into an efficient, scientific, agricultural economy. Only a few weeks ago, America's point 4 program was instrumental in saving a sizable portion of Iran's crop production. Technicians, using the most modern devices and spray compounds, destroyed some of the pests which annually kill off about 15 percent of Iran's crops.

Current point 4 plans call for near-eastern students and leaders to come to the United States for study and observation. They will familiarize themselves with American culture. They will learn something about the most modern agricultural and industrial techniques. Welcomed as equals and friends, they will tell the American story when they return home, and they will tell it honestly. Trained through America's generosity, they will carry with them the technical knowledge whereby the pressing problem of poverty can be tackled at its source.

Yes, we Americans have done much. We have helped to sell the cause of freedom on the shores of the Mediterranean, at Russia's very back door. But we have yet to do more. We have not done enough.

In presenting the mutual security program to this Congress, President Truman outlined the scope of the problem facing the free world in the Near East and the steps that he believes need to be taken to cope with that problem.

He said—and I think these are wise words:

There is no single formula for increasing stability and security in the Middle East. With the help of American military and economic assistance, Soviet pressure has already been firmly resisted in Turkey and Soviet-inspired guerrilla war has been decisively defeated in Greece.

But the pressure against the Middle East is unrelenting. It can be overcome only by a continued build-up of armed defenses and the fostering of economic development. Only through such measures can these peoples advance toward stability and improved living conditions, and be assured that their aims can best be achieved through strengthening their associations with the free world.

President Truman recommended \$415,000,000 in military aid for Greece, Turkey, and Iran, a portion of this aid to be made available for other near eastern nations if necessary. He also asked for \$125,000,000 in economic aid for the Near East, \$50,000,000 of that sum being earmarked for assistance to the Arab refugees from Palestine. The President's economic-aid recommendation also included programs of technical assistance for Libya, Liberia, and Ethiopia. These independent African states, Mr. Truman noted, have economic problems similar to those of the near eastern countries.

It is my firm conviction that the administration's request for funds for the Near East area—like the mutual-security program as a whole—is a sound one. It is my conviction that \$540,000,000 invested in the Near East represents a bona fide investment in American security.

I regret that in the bill as reported by the committee, that amount is reduced to \$518,000,000. I think it should be restored to the amount originally requested, namely, \$540,000,000. It is my conviction that failure to make that investment is tantamount to opening the floodgates for the southward surge of the Soviet tide.

Mr. President, the fate of our free society rests with the fate of the free world as a whole. The two are inseparable. There are only two courses open to America today: Either we continue to build the strength of ourselves and our allies to the point which will serve to keep Soviet expansionism in check, or we withdraw within an isolationist shell to be cracked by the Kremlin at will. There is no in-between path which the United States can safely tread.

The peoples of the Near East represent an essential link in the free world's defensive network. These peoples want peace, freedom, and a decent standard of living. We can and must help them to achieve their aims. Only by doing

so can we retain them as allies and hold the Soviets at bay. Only by doing so can we fulfill our moral obligations to the free world as a whole.

Mr. President, this is a dangerous age. No longer can we take our precious freedoms for granted. We must pay a price for our security, and that price comes high. The mutual-security program represents a sizable outlay of American dollars, but it means greater strength for the free world in the global battle against communism. We must meet the costs of mutual security because they are the costs of survival.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The question is on agreeing to the committee amendment which is proposed as a substitute for the text of the bill as passed by the House of Representatives.

Without objection—

Mr. KNOWLAND. Mr. President—

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. BENTON. Mr. President, I wish to ask a question of the Senator from Minnesota, if the Senator from California will defer, to permit me to do so.

Mr. KNOWLAND. Certainly.

Mr. BENTON. Is the Senator from Minnesota aware that 600,000 persons have immigrated into Israel in the past 3 years?

Mr. HUMPHREY. I am, and I understand that a similar number will go there in the next few years.

Mr. BENTON. Yes.

Is the Senator from Minnesota aware that if there were a similar increase in the population of the United States between the present time and 1954, it would mean—when the figures are given on a proportionate basis—the immigration into our country of 70,000,000 persons?

Mr. HUMPHREY. Yes; on a proportionate basis.

Mr. BENTON. In these figures I am referring to the situation between today and 1954, and I am not including the 600,000 persons who entered Israel in the past 3 years.

Mr. HUMPHREY. Yes.

Mr. BENTON. Is the Senator from Minnesota aware that those 600,000 persons represent a 75-percent increase in the population of Israel?

Mr. HUMPHREY. Yes; and, in addition, another 600,000 will be added, as the Senator has pointed out.

Mr. BENTON. Is the Senator from Minnesota aware that that means a 200-percent increase in the population of Israel since Israel was established?

Mr. HUMPHREY. That is correct.

Mr. BENTON. I should like to ask a question which I think is based on a matter which is of especial interest to the Senator from Minnesota, as well as to myself, and which is in line with our interest in bringing into the United States orphaned children, for their education. This is the question: Is the Senator from Minnesota aware of the fact that Israel is bringing in 1,000 orphan children each month from 62 different countries, and providing them with very extraordinary care and education and advantages?

Mr. HUMPHREY. I have read many of the documents which have been issued by such organizations as the United Jewish Appeal—just as one group—about the number of orphans and immigrants who come into Israel, and I know that there has been great generosity both on the part of the people of Israel and on the part of our own people in America. I have attended some of the gatherings at which they have literally given and given and given until it hurt, in order to afford someone an opportunity to live and to have a home.

Mr. BENTON. The Senator reminds me of my experience on a Montana homestead—and perhaps I am reminded of it because I see the distinguished Senator from Montana on the floor. Is it not frequently true that the people who have the least open up the most and are the most generous; and is not that what is going on in Israel today?

Mr. HUMPHREY. That is true.

Mr. BENTON. Is the Senator aware of the fact that Fortune magazine has called Israel's foreign-investment law a modern law?

Mr. HUMPHREY. I was not aware of the Fortune magazine article. I have been very familiar, however, with the recent financial efforts on the part of the Government of Israel to finance its new undertakings and to stabilize its economy. I know that a \$1,500,000,000 program has been outlined, \$500,000,000 to come from their own people, as a result of their sheer austerity, out of their income or revenue; \$500,000,000 to come from a bond sale, and \$500,000,000 by way of contributions.

Mr. BENTON. Is the Senator aware that 25 percent of the total national product of Israel in 1949 went into capital investment, as did 30 percent of the total national product in 1950? To the best of my knowledge, such figures as those have never been equaled at any previous time by any country.

Mr. HUMPHREY. I thank the Senator for this detailed information. As I said to him earlier, pamphlets may be distributed all over the world about how things ought to be. One can go around making radio speeches telling folks how to live, but there is nothing better than precept and example; and what I see in this state of Israel in the Near East indicates that it is like a lighthouse of freedom; it is an experimentation of democracy. It has its problems, it has its weaknesses, and it has its limitations, but it moves ahead as a courageous and strong nation.

Mr. BENTON. Mr. President, will the Senator yield for one final question?

Mr. HUMPHREY. I yield to the Senator from Connecticut.

Mr. BENTON. In line with my earlier question, when I interrupted the Senator's very able and distinguished and eloquent address, with which I am in complete accord, and on which I congratulate the distinguished Senator, is he aware that making possible a great deal of the industrial development of Israel today, which is being generated at an accelerated rate, with thousands and thousands of new, small manufacturing

businesses being established in countless lines of business, much of the capital is coming from the United States, including investments by the General Tire Co., the Kaiser Co., and many other American corporations as well? So the United States, strictly on a commercial basis, through its private citizens, is developing a great commercial stake in the welfare and prosperity of a country which, some months ago, I suggested should and could be a pilot plant—a phrase very similar to the phrase which the Senator has used today—a pilot plant for democracy and development in the Near East.

Mr. HUMPHREY. I thank the Senator from Connecticut. I would hope that American private investors would do more of this kind of thing in other areas of the world; and I think that the Rockefeller report, which was brought to our attention some months ago, indicates the imperative need of American investment, if we are to do the job which needs to be done.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Montana.

Mr. MURRAY. I have listened with a great deal of interest to the eloquent speech the Senator from Minnesota has made; but I wanted to ask him about one statement he made in reply to questions which were being propounded to him. He said that the State Department did not exercise a liberal, progressive statesmanship in reference to some of its activities.

Mr. HUMPHREY. That was not my conclusion. I believe that was a conclusion drawn by someone else. We were talking about Indonesia, and I said I thought the State Department had a most difficult problem when, on the one hand, we had commitments with the Dutch, and, on the other hand, there were some doubts as to what we should do about the independence aspirations of the republican forces in Indonesia.

Mr. MURRAY. If the State Department evidenced any conservatism or lack of liberal statesmanship, does the Senator not think it was due largely to the fact that it had been under constant attack through charges to the effect that it was controlled or influenced by Communist interest, and, therefore, it was trying to exercise a very cautious attitude in order to avoid being charged, as it had been, with the taint of Red interests within its ranks?

Mr. HUMPHREY. I think the Senator is making a very valid observation. Since he asks me, my candid opinion is that, unfortunately, the State Department has been so intimidated that it has become supercautious. It sometimes identifies forces which work in this world with forces which are subversive. In other words, I have heard many comments on the Senate floor to the effect that we cannot have anything to do with Socialists. I do not happen to be a Socialist, but I say that if the Socialists are against the Communists—and they are—and if they are willing to stand with us, and if they are willing to preserve political freedom, it is imperative that

we try to seek their assistance and their substance in this struggle.

Mr. MURRAY. And the same sort of intimidation has had an effect upon people throughout the country. It has affected the teachers of the country, who are afraid to take a liberal view regarding anything, any more.

Mr. HUMPHREY. I thank the Senator.

Mr. McFARLAND. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HUMPHREY. I not only yield—I yield the floor.

Mr. McFARLAND. Mr. President, I merely desire to make an announcement, and to propound a unanimous-consent request.

I ask unanimous consent that, beginning at 10 o'clock tomorrow morning, debate be limited to 30 minutes on all amendments, motions, and appeals, except the amendment providing for a \$500,000,000 reduction, and the amendment providing for a \$1,000,000,000 increase; and that on those two amendments there be a limitation of 2 hours on each amendment, the time to be divided equally between the proponents and the opponents; that the time be controlled by the proponents of the amendments and the distinguished Senator from Texas [Mr. CONNALLY], provided he is opposed to the amendments, and in the event that he favors the amendments, then by the minority leader, or any Senator whom he may designate; that all amendments be germane, except the amendment which has been proposed known as the St. Lawrence seaway amendment, and that on that amendment the limitation of debate be 1 hour, 30 minutes to a side; and that the limitation on the bill be 1 hour, 30 minutes to a side, the time to be controlled by the Senator from Texas [Mr. CONNALLY] and the minority leader, or any Senator whom he may designate.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Reserving the right to object, I would have only one suggestion to make to the majority leader, namely, that in case there is a demand for a little more time on the St. Lawrence seaway amendment, the debate on it be 1 hour and 30 minutes, 45 minutes to a side, if that is agreeable.

Mr. McFARLAND. Of course, if that is the request—

Mr. THYE. I would suggest that we have at least 1 hour to a side.

Mr. DIRKSEN. Very well, make it an hour on a side on that amendment.

Mr. McFARLAND. I would regretfully make it an hour to a side, because that would run us into a very late hour tomorrow night, if all the time were used; but, if that is what the Senator insists upon, that is what I will make it.

Mr. DIRKSEN. Is an hour on a side on the St. Lawrence seaway amendment agreeable to Senators?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. AIKEN. May I ask whether the request the Senator made applies only

to amendments which have already been submitted, or does it allow for the offering of additional amendments?

Mr. McFARLAND. The provision in regard to amendments was that they be germane. The only exception was in the case of the St. Lawrence seaway.

Mr. AIKEN. That is germane.

Mr. McFARLAND. I might eliminate the provision as to germaneness if there is any question about it, but I think there might be some question about it.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield to the Senator from Illinois.

Mr. DIRKSEN. I would suggest to the majority leader that there be no action on amendments tonight. We would have to have a quorum call.

Mr. McFARLAND. Yes; I understand.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Is there objection to the unanimous-consent request?

Mr. BENTON. Reserving the right to object, does the request of the distinguished Senator from Illinois [Mr. DIRKSEN] mean that we will run late into tomorrow night? Many of us had been expecting a night session tonight, and it would seem to me to be more equitable to take up and dispose of such amendments as we can dispose of this evening.

Mr. McFARLAND. I thought a unanimous-consent agreement would expedite consideration of the bill. The distinguished Senator from Montana [Mr. MURRAY] has a speech, the Senator from California [Mr. KNOWLAND] has a speech, and the Senator from Arkansas [Mr. FULBRIGHT] has a speech. By the time they have concluded we will have gone beyond the time at which we would recess, anyway. We may run very late tomorrow night.

Mr. MURRAY. Reserving the right to object, I should like to say to the distinguished majority leader that I am prepared this evening to make an address on the general bill, which will take about 30 or 40 minutes. If the Senate is going to recess at this time—

Mr. McFARLAND. No; I have no intention of recessing the Senate at this time. I thought we would go ahead with debate on the bill, but I wanted to get the unanimous-consent agreement and to start in the morning at 10 o'clock. I shall remain as late as anyone wants to remain tonight.

Mr. LEHMAN. Reserving the right to object, I assume, of course, that the arrangement proposed by the majority leader would apply to any amendments proposed tomorrow from the floor; and not solely to those which are printed.

Mr. McFARLAND. No. I said all amendments.

Mr. CASE. Reserving the right to object, the junior Senator from South Dakota presented an amendment this afternoon so that it might be printed for the information of the Members of the Senate. Under the very strict rule of germaneness, which is applicable in the House of Representatives, it would not be admissible. However, it does deal with the general subject. It is certainly

far more germane than would be the St. Lawrence seaway amendment.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. CASE. I yield.

Mr. McMAHON. I have read the amendment, and I can assure the majority leader that there is no question that it is germane to the bill.

Mr. McFARLAND. Will the Senator from South Dakota tell me, in a few words, what it provides?

Mr. CASE. It proposes, first of all, to deal with the counterpart funds, which would broaden the scope of the bill somewhat.

Mr. McMAHON. Would not the Senator say that his amendment would promote European union?

Mr. CASE. Yes; by use of the counterpart funds.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as modified? The Chair hears none, and the request is agreed to.

The unanimous-consent request as reduced to writing is as follows:

Ordered, That, beginning at 10 o'clock a. m. on Friday, August 31, 1951, during the further consideration of H. R. 5113, the Mutual Security Act of 1951, except as hereinafter provided, debate be limited to 30 minutes each on all amendments, motions, or appeals, to be equally divided and controlled by the mover of any such amendment and Mr. CONNALLY, respectively, provided he is opposed to such amendment, but if he is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by Mr. WHERRY, or some one he may designate: *Provided*, That on (1) the amendment intended to be proposed providing for a \$500,000,000 reduction and (2) the amendment intended to be proposed providing for a \$1,000,000,000 increase, debate on each thereof shall be limited to not exceeding 2 hours, to be equally divided and controlled as in the case of other amendments: *Provided further*, That all amendments or motions must be germane to the subject matter of the said bill except the amendment intended to be proposed relating to the St. Lawrence waterway, and that debate upon this amendment shall be limited to not exceeding 2 hours, to be divided and controlled as in the case of the two preceding amendments.

Ordered further, That upon the question of the final passage of the bill debate shall be limited to not exceeding 1 hour, to be equally divided and controlled by Mr. CONNALLY and Mr. WHERRY, respectively, or some one he may designate.

Mr. KNOWLAND. Mr. President, I have two items which I should like briefly to discuss this evening.

During the consideration of the Mutual Security Act by the joint committees I supported the inclusion therein of section 513, which authorizes the ECA to guarantee industrial and informational investments in areas covered by the Mutual Security Act. I have noted that the section-by-section analysis which appears in the committee report on the bill—I refer to page 54 of Report No. 703—is not clear in pointing out that section 513 does extend the guaranty provision to areas not heretofore covered by ECA legislation.

In order that my colleagues may not be misled by this section of the report, I desire to make it clear at this time that section 513 does, in fact, permit ECA to

extend guaranties of this type to countries not heretofore covered, as well as to American Republics. The legislative history before the committee is very clear, through the questions and answers before the committee.

I wish briefly to discuss this bill, as I am leaving tonight by plane for the Pacific coast.

In the first place, I have asked to be paired in favor of the bill as reported by the committees. I think it is substantially a fair and equitable bill. I believe that there is some information which was not available to the Committees on Armed Services and Foreign Relations which the Committee on Appropriations can very carefully go into at the time the appropriations themselves are being considered under this authorization legislation.

I wish to point out that the United States of America, in the fiscal year 1951, was putting 68.1 percent of its total budget into its national defense. For security reasons, I am not at this time at liberty to give the names of the other countries in the NATO and the percentages they are contributing of their total budget to their national defense, but on my responsibility as a United States Senator I am going to list the countries by alphabetical designation.

Compared with the 68.1 percent which the United States is putting into the defense effort, country A is putting in 45 percent of its total budget.

Country B is putting in 32.2 percent.
Country C is putting in 27.4 percent.
Country D is putting in 26.2 percent.
Country E is putting in 22.7 percent.
Country F is putting in 22.4 percent.
Country G is putting in 17.1 percent.

There are no figures available to the committee on countries H and I.

The statement is sometimes made that that is not a fair test of the situation, that the percentage of gross national income should be the thing that should be considered. So, for the information of the Senate, I invite attention to the fact that in the year 1951 the United States Government was putting into defense 14.1 percent of the gross national income.

I might say, parenthetically, that for the current fiscal year that amount will be raised considerably, perhaps as high as 20 percent.

Country A is putting in, of its gross national income, 8.3 percent.

Country B is putting in 9.3 percent.
Country C is putting in 8.8 percent.
Country D is putting in 2.3 percent.
Country E is putting in 6.4 percent.
Country F is putting in 4.7 percent.
Country G is putting in 4.1 percent.
Country H is putting in 2.7 percent.
Country I is putting in 5.7 percent.

Mr. President, of the title I countries in Europe which are covered by the terms of the proposed legislation, Belgium, France, Luxemburg, the Netherlands, and the United Kingdom have supplied armed forces to resist overt aggression in Korea. Italy, Norway, Denmark, and Portugal have not. Neither have the non-NATO countries of Spain

and Yugoslavia contributed forces to resist aggression in Korea.

Of the title 2 countries mentioned on page 26 of the committee report, Ethiopia, Greece, and Turkey have contributed troops to resist aggression in Korea. Egypt, Iran, Iraq, Israel, Jordan, Lebanon, Libia, Saudi Arabia, and Yemen have not.

Of the title III countries mentioned on page 29 of the committee report, Korea, the Philippine Republic, and Thailand have furnished troops to resist aggression in Korea.

The Republic of China on Formosa offered 33,000 troops on June 29, 1950—which was 4 days after the aggression took place. This offer was not accepted by the United Nations and the United States, but the Republic of China can certainly be given credit for making that offer.

No armed forces were sent or offered by Afghanistan, Burma, Ceylon, India, Indonesia, Indochina, Nepal, and Pakistan.

Of the title IV American Republic countries, only Bolivia, Colombia, and Cuba have sent armed forces to resist aggression in Korea.

Throughout the rest of the world, and not covered by the pending legislation, the only other countries which have sent troops to resist aggression in Korea have been Australia, Canada, New Zealand, and the Union of South Africa.

I mention these facts, Mr. President, because I think the time is coming when we must take a realistic view of the situation and realize that the resources of this Nation, great and powerful and rich as the United States of America is, cannot be spread so thin around the world, and that unless nations are willing to stand up and be counted in resistance to the global menace of communism, we are not going to be able to dissipate our resources to those nations which themselves are not willing or able to make their contribution to resist the global menace of international communism.

Mr. President, I think it is important for the Senate and for the House to recognize that this bill providing for \$7,500,000,000, even though it has been cut approximately \$1,000,000,000 by the House of Representatives, and that an approximately equal cut has been applied, though in a slightly different way, by the combined committees on Foreign Relations and Armed Services, still represent a tremendous expenditure to the American people and a greatly added burden to the over-all cost of our Government.

We are used to dealing, Mr. President, in such astronomical figures that I think sometimes it is hard for Members of Congress, and those in the executive branch of the Government, and the people throughout the Nation, to grasp the significance of the figures with which we are dealing. It is very difficult for the human mind to grasp just what a billion dollars means. The bill, even in its reduced form, represents \$7,500,000,000.

It was not many years ago that the Government of the United States, in all its categories, first passed the billion-

dollar mark. It has only been in fairly recent years that we have expended as much as \$7,500,000,000. Yet that is the amount of this foreign aid bill with which we are now dealing. I believe, however, that there are certain signals ahead, and that we must stop, look, and listen in connection with this appropriation, and future appropriations, to realize just what the significance of these figures is.

Since 1789, when the Federal Government was organized and the first administration of George Washington took office, down through 32 Presidents, to June 30, 1941, which was the end of the second administration of Franklin Delano Roosevelt, the total expenditures of the administrations of those 32 Presidents of the United States for that entire period of time, of 152 years, amounted to \$180,000,000,000. Since 1945, in the 7 years of the Truman administration, the total cost of the Federal Government amounted to \$332,000,000,000.

Mr. President, during the fiscal year which has just closed the tax revenues accruing to the Federal Treasury amounted to \$50,300,000,000. This was the largest revenue received by the Treasury of the United States Government at any time in our entire history. It was not even exceeded by the high point in World War II. As a matter of fact, that high point was reached in the fiscal year 1945, and our revenues for the fiscal year which has just closed are approximately \$4,500,000,000 higher than the previous high water mark.

The President of the United States has suggested, despite that abnormally high revenue, that there be passed an additional tax bill of \$10,000,000,000. The House of Representatives has passed a tax bill providing for approximately \$7,000,000,000. The Senate Finance Committee is now working on this bill, and there are some reports that the bill as it will come from the committee will provide approximately \$6,000,000,000. If we take the latter figure and assume that our national income and the revenues received by the Treasury will be approximately the same as they were last year, this would increase the total revenues of the Treasury from the \$50,300,000,000 in the last fiscal year to approximately \$56,000,000,000 or \$57,000,000,000. Yet the budget presented by the President of the United States will total approximately \$71,000,000,000. So, despite the abnormally high income, the likelihood of the Federal Government having a deficit in the coming year is rather substantial.

But that is not the entire story. Within the next few days there will be presented to the Appropriations Committee of the Senate of the United States some revised estimates from the Department of Defense. They will deal with the question of increased air power. It is not at all unlikely that these additional expenditures will be at least \$15,000,000,000 or \$20,000,000,000. They may be even considerably greater than that.

So I say, Mr. President, that we must bear in mind that unless we can maintain a solvent Federal Government, and

unless we can maintain a sound national economy, we will not be able to meet our own requirements for national defense, to say nothing of giving aid to other nations in other areas of the world.

I recognize the fact, as I think most other Members of this body, and most American citizens, do, that we can no more return to isolation than an adult can return to childhood, regardless of how pleasant childhood recollections may be. We must recognize the fact that today, for better or for worse, there are only two great powers in the world. One is the Soviet Union, and the other is the United States of America. If the United States withdraws and becomes disinterested in the problems of Europe or of Asia, a vacuum will temporarily be created, and into that vacuum, at a very rapid pace, will flow the forces of international communism under the general supervision of the Soviet Union. This is not in our national interest. It is not in the national interest of the free world.

In 1945 there were approximately 200,000,000 people living behind the iron curtain under the domination of international communism. Today, less than 6 years later, there are more than 800,000,000 people behind the iron curtain. I am not so certain that those who argue that time is on the side of the free world are necessarily correct in their estimate of the situation. We know that since September of 1949 the Soviet Union has had the atomic weapon. We know that in the intervening period they have been able to stockpile a certain number of those weapons. There is no great satisfaction in knowing that we have a substantially greater number than has the Soviet Union, because when and if they get ready to move, they will move with a Pearl Harbor type of attack upon the great industrial and production centers of America, without warning and without notice. While I do not believe that they could give us a fatal blow, I think they could certainly give us a disabling blow, from which it might take a considerable period of time to recover and once again put our great productive capacity to work for our own defense and the defense of the free world.

Mr. President, I wish to conclude by saying that I think the time is rapidly approaching—if indeed it has not already arrived—when the executive branch of the Government, together with the Congress of the United States, must reanalyze our entire global position. We must realize that the resources of America are not unlimited. We must realize that at some point—and perhaps no one of us is wise enough to know where that exact point is, or fortunate enough to have a crystal ball to tell us—there is going to be the straw which will break the camel's back. Consequently, it seems to me that in the very grave situation in which we find ourselves and in which the entire free world finds itself, we must review our global commitments, and we must recognize that our resources, not being unlimited, must be concentrated in those areas which have the greatest strategic value, and where

we have allies who are willing to stand up and be counted when the chips are down.

The other day I mentioned as an example the disappointment many of us had in the action of the Government of India under Mr. Nehru. India is a new country. I do not pretend to have the power to see into the future, but I would not be surprised if within the next 10 years great pressures were applied against the Government and the people of India by either the Soviet Union or Communist China, to such an extent that the very life and independence of India might be in jeopardy.

Mr. President, I do not believe that international aggressive, global communism can be stopped by passive resistance. Mr. Nehru to the contrary notwithstanding. Yet that country, which has more at stake than perhaps any other country in the world in building a system of collective security and international law and order, so that the rights of the weak must be respected by the strong, has dealt us a serious blow in the San Francisco Peace Treaty conferences by the action it took in general support of the Soviet position and in opposition to our position. In the Korean warfare, which broke out on June 25, 1950, the Government of India has not up to this very moment offered a single soldier, sailor, or airman for the collective security of the free world in Korea.

Mr. President, that is not because India does not have well qualified soldiers, and a substantial number of soldiers. Her soldiers fought very well in World War II. It was a matter of studied policy on the part of the Government of India to try to arrive at a so-called neutrality as between the East and the West. But I venture to predict that if the world is so unfortunate as to have World War III break out, there will be no neutrals. It is true that Denmark, Norway, and Holland were able to maintain neutrality in World War I. But in World War II when it suited the purpose of Nazi Germany under Hitler to move through their territories, all their vaunted neutrality could not save them.

I believe that it is utterly unrealistic for India or any other country to think that if world war III breaks out it can sit that one out, because no one is going to sit that one out. Consequently India has much to gain by a system of collective security. I have already pointed out that she furnished no troops whatsoever in Korea. She did furnish one ambulance unit; but she will not be able to stop aggressive communism by furnishing an ambulance unit.

It was worst than that, Mr. President, because in some 15 or 16 votes in the United Nations which were crucial votes in the matter of the security of the free world and the system of collective security, India voted with the Soviet Union about 12 times; voted with the free world once or twice; and abstained from voting the remainder of the time.

Mr. President, I cite that as an example. Certainly the people of India have a right to make their own choice. They have a right to make whatever choice they wish to make. India or

any other nation has a right to make whatever choice it wishes to make. However, I believe such a choice should be made realistically, always keeping in mind that there will be no neutrals in world war III, if such a conflict should break out—and we all hope that it will not break out—and that the American people and the American Government, devoted as we are, as a matter of national policy, to the establishment of a system of international law and order, so that we and our children will not time after time be faced with the problem of aggression sweeping across the world, are determined to try to establish a system of collective security, but that our resources are not so extensive that we can do that job and also help nations which think they can sit out a conflict on the basis of some kind of false neutrality.

Mr. President, I close by saying that we shall be faced with some very serious problems in the months immediately ahead. I believe that the month of September will be one of the critical months in the history of the world. I believe that it is not any mere coincidence that the Communist forces in China and North Korea should have been sabotaging the cease-fire negotiations at Kaesong at precisely the same time the Soviet Union decided to send a delegation to the conference at San Francisco. I believe that most informed opinion at the present time entertains the view that the Soviet Union is attending the San Francisco conference for no particular good. It is generally felt that the delegation is coming primarily to sabotage the efforts of the San Francisco conference in developing a peace treaty with Japan, and that they are coming for the purpose of using the San Francisco conference as a sounding board for international Communist propaganda.

Furthermore, Mr. President, I believe they are coming because the primary target of the Soviet Union in all of Asia is now Japan. If they could ultimately bring Japan into their orbit, with Japan's 80,000,000 industrial people and very large industrial capacity, they would make certain that all of Asia would ultimately be theirs.

To the contrary, if the free world can hold Japan in its orbit, I believe the opportunity will be afforded of maintaining freedom for hundreds of millions of people, not only in Japan, Formosa, the Philippines, and Indonesia, but in Southeast Asia, India, and Pakistan, as well.

If we are to do that it will take the united effort of all the men who really believe in freedom. Those who try to stay on the outside, to see which way the wind will blow, or believe that they can let other men fight for struggle for freedom for them, but can reap the benefits of the struggle, will be sadly mistaken. If by sitting this one out, India permits the power of international communism in Asia to ultimately overrun all its neighboring countries, India itself will not remain free for more than a few years if indeed that long.

Mr. President, I am convinced that the month of September may very well determine whether or not we are to have

peace in the Pacific and in the entire world.

Mr. MURRAY. Mr. President, I rise to support the pending bill, H. R. 5113, which is now under consideration. I am convinced that the pending measure, providing a mutual-security program to aid the free nations of the world, weakened by the havoc and destruction of the late war, in my opinion, is a sound and unavoidable program. It is a policy of enlightened self-interest.

In a world in which Soviet Russia and her satellites are threatening to impose their political domination over the free nations of the earth, we must join with these nations and assist in building up their economic and military defenses. If we fail to follow such a policy and permit those yet-free areas of the world to succumb to communism, how will we in America be able to stand out against this march of Communist imperialism?

Mr. President, this is a problem which must be squarely met if we are to continue as a free and sovereign Nation. We are confronted with the most serious threat to our continued freedom in all our history. This program is not prompted by sympathy or generosity toward these distressed areas of the world. It is, in reality, a program necessary to the defense of our own freedom.

America has arrived at the crossroads of her existence. The trend of world events over the years has placed the United States in a position of transcendent responsibility. We are the only great industrial and military power left in the world spiritually and physically equipped to lead the free nations of the earth in this titanic struggle now on foot against Communist aggression.

We dare not withdraw from this responsibility which fate has placed on our shoulders. America must accept her responsibility as the moral and material leader of the free world or run the risk of her own destruction.

Neither can we afford to allow any political maneuvering to hamstring our foreign policy. We have no right to play politics with the lives of millions of people who look to us for leadership in the struggle to retain their liberties.

Of course, it is easy to attack this program. We can all appreciate how popular it may be to oppose the huge expenditures involved. It is just like being against iniquity, in the minds of people not fully aware of the facts. It is also very easy to close our eyes to the realities and the grave dangers found today in a world convulsed by the tragic occurrences of the last decade or two.

But, Mr. President, we cannot meet our global obligations as partisan Republicans or Democrats. We can meet them only as united Americans dedicated to the task which Almighty God at this hour has called upon us to assume. If either of our political parties stoops to playing petty politics in this grave crisis confronting us, the American people will surely condemn its venality. The outside world will stand aghast at the spectacle of the United States engaging in a game of political pettifoggery which may hamstring our foreign policy and

cause the world to lose the battle against Communist imperialism.

Heretofore, we have proudly boasted of our political system. If we are to convince the world of the superiority of our system, now is the time to stand forth and meet this responsibility in the true interests of our country and of free men everywhere.

Mr. President, America is facing the most serious threat to freedom in all our history. On the one hand there is the awful specter of Soviet communism, whose avowed mission is the conquest and enslavement of mankind. On the other hand, almost half of the world's population are faced with the dreadful scourge of exploitation, poverty, disease, and degradation.

We have learned that communism has ever thrived on popular discontent which grows out of poverty, disease, hunger, and inadequate shelter. Communism dies in prosperity and well-being. I doubt that even the most bitter critic of our foreign-aid program would dare dispute it.

General Eisenhower has made a statement on the subject, which I should like to read at this time. He said:

Communism inspires and enables its militant preachers to exploit injustices among men. This ideology appeals not to the Italian or Frenchman or South American as such, but to men as human beings who become desperate in the attempt to satisfy common human needs. Therein it possesses a profound power for expansion. Wherever popular discontent is founded on group oppression or mass poverty or the hunger of children, there communism may stage an offense that arms cannot counter.

Discontent can be fanned into revolution, and revolution into social chaos. The sequel is dictatorial rule. Against such tactics exclusive reliance on military might is vain.

The areas in which freedom flourishes will continue to shrink unless the supporters of democracy match Communist fanaticism with clear and common understanding that the freedom of men is at stake; meet Communist regimented unity with the voluntary unity of common purpose, even though this may mean a sacrifice of some measure of nationalistic pretensions; and, above all, annul Communist appeals to the hungry, the poor, the oppressed, with practical measures untiringly prosecuted for the elimination of social and economic evils that set men against men.

The dual threat of communism and poverty must be met on a global scale if we are to survive. It must be met by building the defenses of a united democratic world to a peak which will deter Communist aggression; also, it must be met by helping the free nations that have been prostrated by the ravages of war to improve their economic conditions and raise their standards of living. If we fail, we shall be abandoning them to Communist infiltration and aggression.

We cannot defeat communism with bombs and bullets alone. We must meet the spurious idealism of communism with the true idealism which stands before the world as opposed to the exploitation of defenseless people everywhere. We must make every effort to bring to the exploited and wretched people of other countries a program or way of life in which they can live as free men—free from exploitation or oppression—and

can provide for themselves and their families a genuine measure of health and comfort and an opportunity to share in the fruits of production on a just and equitable basis with their fellow men.

We can have no adequate defense against communism unless all nations participating in that defense are politically and economically stable. Politico-economic stability is meaningless to a people without the organized strength with which to protect itself against assault.

Mr. President, America's security today depends upon the security of her allies. On the other hand, the security of our allies depends upon our security and upon our economic and military assistance while they are gathering strength and stability. The only real security in this sort of world is mutual security, the united economic and political action of freemen everywhere.

That point was clearly made in a recent statement issued jointly by the Senate Armed Services and Foreign Relations Committees, following their probe of the circumstances of General MacArthur's dismissal, from which I quote:

We would reassure the people of the free world beyond our boundaries—all of those determined not to be enslaved by Communist aggression. We are unshaken in our determination to defend ourselves and to cooperate to the limit of our capabilities with all of those free nations determined to survive in freedom.

The mutual-security program is the practical vehicle by which we can defend ourselves and can cooperate with the other free nations in our common interest. The program can and will make it possible to continue to build the strength which will deter Communist aggression, even as it paves the way for a better life for more and more people.

The mutual-security program does not demand that we play the role of Atlas. We are not expected to pick up the entire free world and carry it on our shoulders. The program is designed to help other countries to help themselves. I am convinced that it can and will do just that.

Has the premise upon which the mutual-security program is based paid off in the past? The evidence clearly indicates that it has. Europe, which has received the overwhelming bulk of our military and economic aid since the close of World War II, amply illustrates this. The Greek-Turkish-aid program, the Marshall plan, the mutual-defense assistance program have played a vital role in restoring to free Europe the measure of political and economic stability so crucial to the defense against communism.

There can be little question that a Western Europe in the Soviet camp would see America and her few remaining allies outnumbered, outgunned, and outproduced. Western Europe's more than 275,000,000 people are among the most highly skilled and most productive in the world. Her steel, coal, and electric-power production normally far surpass those of the entire Soviet bloc. Western Europe's civilization, which is so closely linked to ours, is no mean deterrent to the inroads of the soulless

philosophy which would reduce men to pawns in a grasping drive for power.

Morally, strategically, and economically we Americans need Western Europe. That is why the terrible destruction wrought in Europe by World War II has been of such pressing importance to us. That is why the breakdown in Europe's industrial plant and transportation system claimed our immediate attention.

Mr. President, the expansion of communism immediately after the war was but an indication of Western Europe's crying need for help. Their economic system had broken down, and the people were living in want and distress. When international communism subverted legitimate Balkan governments, threatened Turkey, and invaded Greece, it was clear that such help had to be given, and given rapidly. America accepted the challenge, and America reaped concrete results.

Let us look at the facts and figures. On the political front, 1946 saw the emergence of Communist parties of formidable strength in the major Western European nations. Everywhere the Communist Party line was feeding on the devastation of the countryside, the inflation, and the miserable condition of the people.

In 1946, Communist Party membership soared to 2,300,000 in Italy, 850,000 in France, and 300,000 in Western Germany. In France, the Communists were the largest single party in the General Assembly.

The Communist-controlled CGT, France's largest labor organization, boasted upwards of five million members, Italy's largest labor federation, the CGIL, had a membership almost as great as that of its French counterpart.

The end of 1950, the fourth year of the Greek-Turkish aid program, and the third of the Marshall plan, saw a considerable change in the Western European political picture. In every country but one, Communist influence had declined from what it was prior to the beginning of American assistance.

Since 1946, Communist Party membership has dropped in every free European nation. The declines range from 84 percent in Luxembourg and 65 percent in Belgium to 31 percent in Italy and 30 percent in France. In Britain, the two Communists who were members of Parliament have been defeated. In Norway all 11 of the Communist representatives in the legislature have suffered the same fate: defeat.

The French Communist Party, Western Europe's second largest, lost 80 of its 181 seats in the General Assembly in the most recent elections. The French CGT has also lost some 2,000,000 of its members to democratic labor groups. The Italian CGIL's losses have been even greater.

Mr. President, there are many other indications that the Communist-controlled labor unions have lost influence and ground in the Marshall plan countries of Europe with the reduction of want, the increase in wages and employment, and the improvement in standards of living brought about by the plan. Any decrease in Communist influence among

working people is especially significant because it is in this field that the Communists concentrate their main efforts.

The Communists have been strong in France and Italy, particularly in the heavy industries which are the key to military production. Disruptive Communist tactics reached a peak in France and Italy in 1947 and the first half of 1948, particularly in the key industries. By 1950, when the Marshall plan had been in effect for 2 years, this situation had drastically changed for the better and continues to improve in 1951.

Records kept by the State Department and other Government agencies serving in Europe show that non-Communist labor organizations have grown in influence and in bargaining power during the period of Marshall-plan operation. They have played an important part in nullifying Communist efforts to disrupt the economies of France and Italy by political strikes and demonstrations and to interfere with the production and shipment of arms.

The Communist unions are now on the defensive and decline. In many instances they no longer have aggressive dictatorial power in key industries. For example, they have lost control of the Marseilles docks since the Marshall plan began. The Communists now have only 10 of the 55 port dockers' committee seats there in comparison with 54 they had at the inception of ERP. The same thing has happened in Cherbourg and Naples, two other great continental ports. This is important, not only to

show how our aid has been effective in combatting communism, but from the viewpoint of military security in a vital industry in time of war.

Another example is the Austrian general strike of last year called by the Communists. It failed when the overwhelming majority of Austrian labor forces refused to join with them.

I have in my hand a table which shows that there has been a sharp decline in work time lost in almost every European country during the time in which the Marshall plan has been in operation. In France, for example, the number of man-days lost by strikes in 1950 was approximately half the number lost in 1947. In Italy there has been a decrease of 58 percent in man-hours lost by strikes from 1949 to 1951.

Mr. President, I ask unanimous consent to have the following material inserted in the RECORD at this point in my remarks:

First. A table prepared by the United States Department of Labor, showing time lost in strikes in the principal ERP countries;

Second. An excerpt from a report dated June 22, 1951, from our Embassy in Rome, regarding the development of the Italian labor movement; and

Third. Excerpts from an article entitled "Activities of French Labor Unions in 1949-51," from the Monthly Labor Review for June 1951.

There being no objection, the table and excerpts were ordered to be printed in the RECORD, as follows:

Man-days lost in strikes, 1946-50

	1946	1947	1949 (where no later date)	1950
Denmark.....	1,386,000	473,000		4,000
Sweden.....	27,185	125,000	18,690	
Norway.....	79,000	41,000		42,000
Great Britain.....	2,158,000	2,433,000		1,388,000
France.....	311,913	22,673,285		11,724,484
Belgium.....	1,052,594	2,211,786		12,768,555
Netherlands.....	681,607	203,400		162,500
West Germany (Bizone).....	(2)	(2)		358,218
Ireland.....		449,438		216,505

¹ Return of King caused large political strikes.

² Not available.

Man-hours lost in strikes, 1941-51—Italy

January-May 1949.....	53,265,000
January-May 1950.....	28,270,000
January-May 1951.....	22,410,000

EXCERPT FROM REPORT DATED JUNE 22, 1951, ROME EMBASSY, REGARDING DEVELOPMENT OF ITALIAN LABOR MOVEMENT

When the Italian people began to take inventory in 1945 after nearly 10 years of war and 25 years of fascism they found a combination of conditions which pointed down a long road toward a dark horizon.

All political currents were invited to participate in the founding of what eventually became the Italian General Confederation of Labor (CGIL). The three principal political groups were represented equally in the executive.

By 1947 this organization claimed, probably with some justification, 6,000,000 members. As the union grew, however, so did the Communist control. During the first national congress held that year the Reds, with strong assist from the left wing Socialists, were able to amend the constitution to provide for direct political action and to elect Communist Di Vittorio secretary gen-

eral. Thus the Communist leaders were given license to twist the role of the workers' organization into whatever channel best suited the strategy of Moscow.

Giuseppe Saragat, a more moderate member of the PSI hierarchy, immediately resigned and started his own party—the Italian Socialist Workers Party (PSLI). This split was immediately reflected in the trade-unions and Giovanni Canini became the top representative for the PSLI in the CGIL.

In the spring of 1948 the CGIL was invited to attend a world trade-union conference on the Marshall Plan. Di Vittorio's answer was: "Participation in any Marshall Plan organization is incompatible with membership in the CGIL."

The answer of Canini, Parri and Pastore, whose nonconformity by now had earned them the title of "the unholy three," was to defy the Communist secretary-general's edict and at their own expense fly to London to participate in the meeting. Out of that conference grew the ERP Trade Union Advisory Committee.

In July, 1948, barely a month after the arrival of the first Marshall Plan officials and before any actual aid had been furnished, the Communists made their grand bid.

Palmiro Togliatti, Communist Party head, fell gravely wounded on the steps of the Italian Parliament before the revolver of a despondent Sicilian student. The country rocked with the news of the near-assassination. The executive committee of the CGIL was called into emergency session and unanimously agreed to a 24-hour general strike. Almost immediately commerce was stilled. Factories were emptied, fields were abandoned, shops were shuttered, and land, sea, and air transportation was halted.

With the country in an economic coma, the CGIL Red leadership arbitrarily announced that the 24-hour deadline would be ignored and the strike would stay in effect until the 3-month-old Government resigned and a new one would be formed with Communist participation.

Overnight the Italian people were faced with a revolution. For the Government to resign was unthinkable. If the strike continued, civil war was almost certain. The dilemma was solved when Giulio Pastore denounced this betrayal of the workers and resigned from the confederation, urging his followers to return to work. They did and the solid front of the incipient revolution was broken.

While Pastore's bolt from the CGIL saved a precarious situation for the infant government, it also had the adverse effect of leaving the Communist-Nenni Socialist group in even stronger control of the confederation. This control was quickly manifested upon the arrival, a few months later, of the first ERP materials.

In factories where Marshall plan goods were installed the CGIL began a series of noncooperation and checkerboard strikes. The first involved the worker doing only as he was told and nothing more. Every morning the foremen had to instruct each individual worker to turn on his machine and repeat the round with explicit instructions for every operation. In the metal industry, where these strikes were concentrated, production fell off as much as 70 percent.

The checkerboard pattern was also used in the strategic metals industries. Here work was stopped in each department for 10 or 15 minutes at different specified times throughout the day. Again production dropped off. A phoney economic reason usually was given for the slowdowns, but, in nearly every case it was patently obvious that it was a carefully planned tactic to sabotage the Marshall plan. Unless the workers would utilize the tons of machinery and raw materials arriving and on order, it seemed clear that the production index would show a drop.

Therefore, the first crucial problem confronting the ECA here was to convince the workers that the ERP was not a plan of Wall Street, but an honest effort on the part of America, her people, her Government, her business, and her trade-unions to help Italy along the road of reconstruction.

As a first step in meeting this problem the ECA Labor Division formed the Italian ERP Trade-Union Advisory Committee, and the initial meeting between this group and mission officials was held on December 6, 1948.

Later the committee, with an eye to creating more jobs in the local milling industry, presented a request that the following year's appropriation consider sending more grain and less finished flour to Italy. This suggestion was carried to Congress by the Chief of Mission, and the 1950 bill included a 50-percent drop in the flour requirement for grain shipments to Italy. The result was an additional 700,000 man-days of labor in the milling industry.

The Communists again were forced to change their line. The workers had begun to accept the Marshall plan. The new line was more strikes and peace themes.

In June, Canini and Parri led their followers out of the CGIL, leaving the organization in complete control of the Commu-

nists and their Nenni Socialist fellow travelers.

Canini and Parri set up the Italian Federation of Labor (FIL) and after nearly 1 year of existence they merged with the LCGIL to form the Italian Confederation of Trade Unions (CISL).

The CISL, while just over a year old, claims more than a million-and-a-half members. The CGIL is thought to have about 3,000,000, a reduction of 50 percent in 3 years. A third organization, the Italian Workers Union (ULI), comprises some members of FIL who did not wish to unite and a group of Romita-Silicone Socialists who left the CGIL last year. This third group is thought to have between 50,000 and 100,000 members.

The results of the committee's work on a score of projects directly concerning the Italian worker soon won them an audience among the people in the factories and in the fields. The noncooperation and check-board strikes began to occur with less frequency and production figures began to climb. Provincial and later communal Italian ERP-TUAC committees were formed. At one time nearly 5,000 communities boasted an ERP-TUAC group.

On December 19, 1948, Giulio Pastore formed the Free Italian General Confederation of Labor (LCGIL) and invited men and women of any political persuasion to join him in what he promised would be a political organization. In the next 6 months his confederation grew to a membership of half a million. A small enough number in a working force of 18,000,000, but enough to cause the Communists concern. They attacked Pastore as a tool of the church and of the Government. The LCGIL strength among textile and agricultural workers and their ambitious organizing campaign among metal, transportation, and Government employees forced the Communists to sit down and reconsider their strategy.

[From Monthly Labor Review, June 1951, U. S. Labor Department's Bureau of Labor Statistics]

ACTIVITIES OF FRENCH LABOR UNIONS IN 1949-51

(By Webster Powell)

French trade-unions were engaged in attempting to raise the purchasing power of workers and in a struggle between the free and Communist groups during 1949, 1950, and early 1951. * * * prices continued to rise in 1950 and early 1951, and despite wage gains, the purchasing power of the French workers' earnings was still substantially below the 1938 level at the end of March 1951. Meanwhile, the French worker and union member, wearied by continual strike agitation, had become increasingly aware of the Communist-dominated General Confederation of Labor (CGT) attempt to exploit bona fide issues for political purposes.

The Collective Agreements Act adopted on February 11, 1950, was rated high among the positive results of labor's campaign to improve its position at a time of growing production in France. Under the terms of this law, the right to negotiate on wages was restored to labor and management, free from Government control, and machinery was provided for settlement of disputes and for fixing minimum wages. * * *

At the end of the 2-year period covered, CGT influence appeared to have declined substantially. For example, it had been unsuccessful in blocking shipments of defense matériel and in promoting the so-called peace offensive among French workers, if it involved strikes and loss of pay. Yet, the organization remained the largest French trade-union confederation, and it had created cynicism and disunity in labor's ranks. * * *

GAINS IN FREE TRADE-UNION INFLUENCE

Despite the fact that the CGT remains the largest confederation of unions in France, there are increasing signs that it has lost influence. During recent years, it has increased its attempts to channel the energies of the workers into political strikes—in seaports, coal mines, arsenals, and transportation. It sought to prevent the shipment of military supplies and troops to Indochina and the unloading of defense materials from the United States. Frequently these political aims were camouflaged under demands for higher wages.

But the CGT has been less and less successful in getting masses of workers to participate in political strikes, and very few have lasted more than 1 or 2 days. Ports such as Marseilles and Cherbourg remained open through the success of the FO, CFTC, and the Independent Confederation of Labor (CTI) longshoremen's unions in supplying necessary manpower for the jobs abandoned by CGT members. These organizations' task was made easier by the presence on the water front of many unemployed who were eager to work, even though they were relatively inexperienced, and by measures taken by the police authorities to control the "goon" squad activities of the CGT which formerly ruled the docks by threat of physical violence. The International Transport Workers' Federation, allied to the International Confederation of Free Trade-Unions (ICFTU), also aided greatly in keeping the ports open.

That the dominance of the CGT was weakened in the 1947-50 period was clearly demonstrated by results of the June 8, 1950, election of representatives to the councils administering the social-insurance and family allowance programs. The unions (and other organizations) waged intensive campaigns to elect worker members of these councils. The CGT was unsuccessful in its attempt to regain control of the councils which it had lost after the split in December 1947. The results were an indication that the CGT had not succeeded up to June 1950 in regaining the members it lost when the FO group seceded in December 1947.

Another highly significant development already noted was the success of the FO and the CFTC (sometimes with the help of the Government which more and more often refused to deal with the CGT) in concluding collective-wage agreements in important industries without assistance from CGT, and frequently despite its opposition. In this, they may have been aided by employers who recognized an opportunity to strengthen non-Communist trade-union elements.

The democratic unions also have been aided by unmistakable demonstrations by Communist Party leaders of their subservience to Moscow. The appeal to Frenchmen by Maurice Thorez (secretary general of the Communist Party) in February 1949, to stand with the Soviet Union at all times—even in the event of an invasion of France—increased the skepticism of the workers, including those belonging to the CGT. The violent demonstrations of Communist deputies against Government attempts to enact defense legislation also cast discredit on the CGT Communist leaders.

Finally, the lack of unity and at times even bitter rivalry between the non-Communist federations appears to be on the decline. Attempts at organic unity, which were not realized, have given way to some degree of cooperation on day-to-day issues. In the national field, this cooperation has received impetus from the recent successes of the non-Communist groups in direct strike action as well as in wage negotiation. Internationally, the ICFTU and the International Confederation of Christian Trade Unions (CISC) have contributed toward working unity. Agreement was reached on the ratio

of trade-union representatives on the Consultative Committee of the Schuman Plan, and on the status of the Christian unions on the trade-union advisory committee of the European Recovery Program (ERP-TUAC), now under the regional ICFTU.

CGT INFLUENCE

The continued influence of the CGT, despite an enormous drop in membership since the peak of its power in 1947, is based on a number of factors, not the least of which is its relatively strong (compared with non-Communist confederations) regional and local organizations. On the whole, the CGT has more capable and better-trained officials and far greater resources and machinery than the FO and CFTC. This is reflected particularly in its retention of pre-eminence in the basic industries. For both tactical and historic reasons, the free confederations have not pursued a unified policy of action against CGT. Even today, the CGT membership is not composed entirely of Communists. Furthermore, in the immediate domestic programs there has not been much difference between the two groups.

French workers generally supported the CGT postwar program of nationalization, national planning, increased social-security benefits, worker participation in control of industry, higher wages, and fiscal reform. Even after the withdrawal of the Communist Party from the Government and the split in the CGT, the CGT made little basic change in its domestic program. The "cold intransigence" (as Minister of Information Teitgen termed it in a broadcast on March 12, 1950) among employees to all union activity has in the past contributed to the CGT's ability to continue its domination over the labor movement.

FRENCH GOVERNMENT ACTION

Steps taken by the French Government in recent months to combat the influence of communism were welcomed by the free democratic unions. Following political strikes accompanied by acts of sabotage on the railroads and in the ports, the ministries responsible for these industries removed many CGT representatives from Government payrolls and in some cases ordered Government officials not to have any further dealings with CGT unions; at the same time, the National Assembly levied severe penalties against sabotage, which were aimed directly at the Communist Party and the CGT.

In January 1951 the Government ordered the closing of the international headquarters in Paris of the Moscow-dominated World Federation of Trade-Unions, under a law permitting suspension of operations of foreign organizations. The Government also dismissed the Communist mayors of a number of Paris boroughs for misuse of office on behalf of the peace offensive.

Continued price rises in the first quarter of 1951 (the March 1951 Paris consumer price index was 5.3 percent above December 1950) necessitated further wage adjustments. The Government was faced with a demand from unions that it prevent serious inflation, which would reduce already precariously low consumption levels. Efforts to increase defense production without curtailing output of essential civilian goods complicated the situation. They were made particularly difficult because of the effect of the Korean War on the prices of raw materials purchased in a rising world market. In addition, the unions renewed their repeated requests for fiscal reform. The Government shrank from taking drastic steps before the 1951 national elections—the first since 1946—which were scheduled for June or October, the period depending on the passage of a new electoral reform bill.

If prices could be held in check, and purchasing power of the workers continued to

improve, it appeared that the influence of the CGT and the Communist Party would continue to decline. Low real earnings affect the workers' morale and make them vulnerable to Communist propaganda. But, after 6 years, the workers have become skeptical of the Government's ability to control prices and adopt real fiscal reforms. French trade-union officials recently have begun to press for a change in the high-unit-price, low-wage, restricted-output, cartel system to which most French employers have long been accustomed. A few industrial as well as trade-union leaders have stated that only a reversal of these old practices, and increased productivity, can in the long run solve the problem of inadequate real earnings and destroy the threat of communism.

Mr. MURRAY. Mr. President, on the military front, the practical implementation of the Truman doctrine has helped the Turks begin the construction of a modern, well-trained, well-equipped army. The Greek Government, which had been tottering before the impact of Communist-led guerrilla forces, is now firmly on its feet and capable of meeting its political obligations. We have seen the results of our military aid to these two countries. In Korea, both Turkish and Greek soldiers are fighting courageously with American soldiers and other fighting units of United Nations countries.

Within the framework of the North Atlantic Treaty Organization, free Europe is taking important steps toward building an effective, united defense organization in collaboration with the United States. In fiscal 1949-50, the nine European NATO countries—excluding Portugal—devoted some 5 percent of their gross national products to the defense effort. Percentagewise, this compares favorably with our own effort in the same period.

Throughout Western Europe, the mobilization of manpower is proceeding apace. The French draft law, which prescribes an 18-month period of service for the able-bodied, permits virtually no exemptions. Little Luxemburg is being equally cooperative in putting its shoulder to the military manpower wheel. Belgium and the Netherlands are following suit.

General Eisenhower has pointed out that Western Europeans are showing more and more determination in their stand against communism. Much of that determination, the general reports, is at least partially due to the consummation of the North Atlantic act.

America's willingness to work with the European nations in creating economic and political stability as well as in building a mutual-defense system has had a marked impact on Europe's willingness to resist Communist aggression.

Economically, American assistance has been very effective in helping Europe to renovate its history, increase production, and step up its campaign against disease and hunger. Since 1947, the level of over-all industrial production in the 18 Marshall-plan countries has increased some 46 percent. In 1947, that level was just 87 percent of what it was in 1938. In 1950, it had jumped to 127 percent.

Agricultural production in 1950-51 was 110 percent of the prewar level, a jump

of some 25 percent from 1947-48. The production curve of the key items of an industrial economy—in peace or war—tells the same story.

Steel production is up 65 percent over what it was in 1947. Electric power has jumped 37 percent. Rail transportation is up 19 percent. Coal is up 15 percent. The Marshall plan reversed the downward trend of the postwar period of real earnings of European working people, the increases ranging from about 4 to 40 percent in the ERP countries. All of these things are vital indexes of the amazing recovery free Europe has been making—a recovery made possible to a great extent because we have helped others to help themselves.

But the improvement in free Europe's economic situation has been reflected in something more than the cold light of vital statistics. American aid has also helped Western Europe to improve the lot of the man in the street—of the factory worker, the small farmer, and the artisan. Much remains to be done for the common people just as much remains to be done in the mutual-assistance field as a whole. But much has been done.

Take public health, for instance. The early months of the European recovery program were replete with efforts to meet the demands of Europe's millions for medical supplies and disease preventives. Iron lungs have been flown to Italy and France to aid the victims of polio epidemics. Incubators have been installed in Dutch hospitals to save the lives of premature babies and reduce infant mortality to a new low in the Netherlands.

The French Government, with American assistance, is conducting a nationwide drive for the pasteurization and bottling of milk. The drive will do much to cut down the terrible toll of tuberculosis. Malaria, a deadly killer, has been eradicated in many sectors of Greece and Sardinia. American technical know-how and DDT have been instrumental in doing the trick. Penicillin, streptomycin, and other "wonder" drugs have been shipped to the Marshall-plan countries in great quantity. And installations capable of producing these drugs locally have been constructed with American aid.

In Holland, a key soap manufacturing plant has installed American-financed machines which shave soap-processing time from 5 days to 2 hours. In Italy, Marshall plan counterpart funds have gone into the construction of freshwater systems in key cities. The peddler who sold water in the streets is being replaced and with him have gone some of mankind's most tormenting diseases.

Mr. President, these are but a few of the examples of how the average European has benefited from the American assistance programs. And they are not limited to the public-health field alone. In education, housing reconstruction, and food production the average European's situation is improving.

The United States has done much to help the Europeans put themselves on their feet. We have also helped the people of the underdeveloped areas of Latin

America and parts of Asia to meet some of the problems of their existence. But the ordinary citizen in these areas is still a long way from those living standards which we have come to characterize as American.

In the process, we have been building our own security even as we have been making friends. We have laid a strong foundation for a united defense against the Communist menace. We have demonstrated our willingness to cooperate in the common interest of all the free peoples.

But, Mr. President, we would be deluding ourselves if we were to proceed on the assumption that our job is finished. We would be opening the road to the suicide of the entire free world if we were to allow the prophets of false economy to deter us from continuing our drive for security.

A great President once said that one-third of the American people were ill-fed, ill-clothed, and ill-housed. That same statement can be made for an even greater proportion of the peoples of the free world.

Europe, technologically the most advanced of the free areas with which we are collaborating, is still ridden by inflation. Real wages in most European countries are far below our own. The typical diet is all too often the basic minimum.

The task is still tremendous. The troops with which to meet the most acute Communist menace—that in Europe—are to a great extent still on the planning board. The arms with which to arm those troops are beginning to flow, but that flow must become a Niagara.

This country cannot dare to take its security for granted. Genuine security continues to lie ahead of us. Our failure to achieve it—whatever the cost—could mean disaster.

Speaking of costs, the chronic critics of the State Department have been spreading propaganda to the effect that the mutual-security program would bankrupt America. They had the same thing to say about the Marshall plan and the mutual defense assistance program. They have also said it about the various constructive programs of the past generation. They saw nothing but total ruin in the Tennessee Valley Authority, in reclamation and public power development, in soil conservation, in the various measures for the benefit of agriculture and business, or in the bank-deposit-guaranty measure which has so strengthened our banking system.

Today, these programs have more than paid for themselves. They have contributed to our country's progress and to the welfare of our people. And they have not bankrupted America.

Mr. President, foreign aid is not a one-way street in the economic sense. America derived specific economic benefits in the process of building her own security. Let us look at the record.

America is not self-sufficient. There are many things we must import if we are to maintain a full-production economy. And some of these things are of the highest strategic importance in these difficult times.

Of the 15 basic metals, America is reasonably self-sufficient in only 6. We must import all the others in quantity. Of the 13 pounds of manganese that go into every ton of steel, less than half a pound is produced at home. We import all of our tin, natural rubber, and cordage fibers. Three-quarters of our tungsten, a third or more of our lead, and more than a quarter of our copper and tin come from abroad.

The point 4 program—now before this Congress as part of the mutual-security package—is designed to help the underdeveloped areas to raise their standards of living, as well as their resistance to communism. It is also a concession to America's dire need for many strategic materials. In helping those areas to develop their economies, we make badly needed friends even as we contribute to our own strategic security. We have already gone a long way toward building a stockpile of hard-to-get strategic materials, and we have been building that stockpile at little or no cost to the American taxpayer.

The Economic Cooperation Administration has been buying these materials primarily with America's share in Marshall-plan counterpart funds, and these funds—as my colleagues know—are made available by the European nations participating in the Marshall plan. Among the scarce materials which had gone into the American stockpile via the counterpart-fund route as of June 1950 were \$26,500,000 worth of Malayan natural rubber, more than \$6,000,000 worth of sisal—which is used for hawsers and rope—and some \$5,000,000 worth of diamonds for industrial use. Counterpart funds have also gone into equipment and capital installations for the production of key metals, such as bauxite, tin, cobalt, chrome, and nickel. This investment will mean vastly increased supplies of all of these metals in the near future—once again at virtually no cost to the American taxpayer.

Another very potent point which our home-grown critics of American foreign policy are all too apt to overlook is that every dollar spent abroad buys a good deal more than it would if spent here. The cost of America's security is actually less—in many ways—because of our foreign-aid programs.

For example, we furnished Denmark with about \$180,000 worth of raw materials to be used in ammunition production which will be worth \$1,237,000. That means one American dollar is bringing a sixfold return in defense materials.

Three hundred thousand dollars worth of machine tools has already made it possible for France to produce almost \$14,000,000 worth of much-needed air frames. That is a material return of \$46 for each dollar spent.

Britain is manufacturing \$3,500,000 worth of antitank equipment because the United States provided a mere \$55,000 worth of copper and zinc. Here \$1 made possible \$65 worth of essential defense production.

And so the story goes for country after country. We build our own defenses even as we help other friendly nations to

build theirs. And it is a good deal less expensive than it would have been had we made the tragic mistake of seeking to go it alone.

America's foreign aid programs have also had a bracing effect upon our own economy. Those programs have helped to keep our employment at a peak by furnishing badly needed markets for many of our products. In 1948, America's export trade provided more than 2,300,000 jobs for workers in the manufacturing industries. In 1948, almost 40 percent of our wheat production, 37 percent of our rice output, and about one-third of our cotton crop went abroad. Where would the farmers who raise these products be today if American dollars had not bolstered up the European economies in the interests of mutual defense?

There can be no quibbling with the vital fact that America's investments in foreign aid have paid off in very concrete terms. They will continue to pay off in those same terms.

We have added to our material strength even as we have assumed the moral leadership of the free world. Our policy of helping others to help themselves will have cost us far less in the long run than the dangerous alternative of halting our defenses at our Pacific and Atlantic coast lines.

Have the beneficiaries of our assistance been standing still with their arms folded while we engaged in this prodigious effort to build the free world's security? The answer is obviously "No."

I have already cited free Europe's production figures and its willingness to cooperate in organizing the manpower with which to deter Communist aggression. The eagerness with which our European allies have come wholeheartedly into the North Atlantic Pact is but a symbol of that willingness.

There are many other specific steps which the free nations of Europe have taken to bolster their economies and their defenses even as they are adding to our security. They have set up the European Payments Union, which has acted as a clearing house in furthering intra-European trade. With few exceptions, they have reduced trade barriers during the past 12 months by agreeing to remove quota restrictions on a goodly share of their imports from each other.

So, Mr. President, the rest of the free world is not riding to safety on America's back. Our allies are carrying their share of the load.

Further, we must measure that share in something more than American dollars. We must measure it against our allies' capacity to produce. We must think in terms of what they can afford as well as in terms of what we can afford.

Understanding our neighbors' problems and helping them to cope with those problems is today the minimum price of our liberty. If, because of our prestige and our power, we are able to meet the other free nations more than halfway, we must do so. Our existence may well depend upon it.

The administration has asked for \$8,500,000,000 for its mutual security program. No one will deny that that is

a lot of money. It will impose an additional burden upon the American people. But I will deny the charge that it is not in our best interests to back the program to the hilt.

In his initial message to Congress on the mutual security program, President Truman stated that \$8,500,000,000 was the minimum amount needed to meet this country's basic security requirements. I accept the President's estimate of our needs, secure in the knowledge that every dollar requested has been given the most painstaking scrutiny. In fact, his request of \$8,500,000,000 was \$1,200,000,000 below the original budget estimate in his budget message on January 15, 1951.

The President outlined the type of organization which he felt would be required to administer the mutual security program. That organization would provide for maximum coordination and efficiency even while allowing that flexibility at the operating level without which a program of this type could not succeed or function. The Senate Foreign Relations Committee has modified the President's proposal to some extent.

The opponents of the President's proposal endorse the provision in the bill as passed by the House, which calls for a new agency to administer the entire program. The dangers of the single-agency approach in the House bill are far greater than the few benefits of economy which might be gained.

The single agency approach would simply add to the administrative complications and we might well lose the advantages already gained in the administration of our past and current foreign aid programs. The unification proposal would remove an essential civilian safeguard against possible military domination, whereas the President's and the Senate Foreign Relations Committee's suggestions would place military and economic responsibilities where they belong. The proposed unified agency would smack of more American imperialism to many nations.

The mutual security program is as great an asset to our own economic stability and prosperity as its predecessors were. It will not bankrupt America, as some charge. In fact, we will be bankrupted by communism if we do not move full speed ahead with the entire proposal of the President.

We cannot afford to pinch pennies and dollars now. That means losing our liberty later. We cannot sacrifice freedom for a few dollars.

Today, we possess the atomic bomb and Russia apparently fears our superiority in that kind of warfare. Yet I, with millions of others, earnestly hope and pray that we never have occasion to use it, and that we will not be forced into another world war. The full development of the mutual security program and the strengthening of the United Nations is the answer to this hope and prayer—that it will lead to peace and not to war.

Despite the world-wide Communist "peace" campaign and the current negotiations in Korea, the Kremlin's long-term strategy continues to be world

domination. We cannot allow Communist deceit to lull us into dropping our defenses.

Today, this Congress holds the fate of our way of life in its hands. A vote against the mutual security program will be a vote for Stalin and Communist aggression. A vote for it can mean our salvation. The tree of liberty shall not be felled by the ax of economy.

Mr. FULBRIGHT obtained the floor.

Mr. BENTON. Mr. President, will the Senator from Arkansas yield 3 or 4 minutes to me, if he can do so without losing his right to the floor?

Mr. FULBRIGHT. I ask unanimous consent that I may yield to the Senator for 5 minutes.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Senator from Arkansas asks unanimous consent that he be permitted to yield to the Senator from Connecticut for 5 minutes without losing his right to the floor. Is there objection? The Chair hears none, and the Senator from Connecticut may proceed.

Mr. BENTON. Mr. President, I am very grateful to the Senator from Arkansas. I had intended to address myself to the Senate tomorrow in support of the amendment which the senior Senator from Illinois [Mr. DOUGLAS] intends to call up, to raise the total authorization for economic aid to the Middle East to \$160,000,000, from \$120,000,000, as recommended by the committee. But, in line with the unanimous-consent agreement entered into tonight, with only 15 minutes to a side, and in view of the fact that many Senators hope to speak on this subject tomorrow, after consultation with the Senator from Illinois I asked for permission to take 5 minutes on this subject tonight. I think it quite appropriate to follow the long and eloquent address on the same subject delivered by the Senator from Minnesota [Mr. HUMPHREY] 2 or 3 hours ago.

Mr. President, out of the large sum called for in the amendment as I understand it, \$50,000,000 each would go for resettlement of Arab and Jewish refugees, respectively, instead of the \$40,000,000 for each group earmarked by the committee proposal. I may say that the amendment of the Senator from Illinois still falls \$15,000,000 short of the proposal approved and passed by the House of Representatives, which called for \$175,000,000.

My various votes on this important bill support the restoration of the entire program as recommended by the State Department and the President for Europe and for all other areas of the world. No other measure that has come to the Senate floor during the period of my service may prove to be more vital to the security of the United States and the maintenance and development of a constructive foreign policy in opposition to the grave dangers posed for all of us by the Soviet policy. However, as the distinguished present occupant of the chair [Mr. HUMPHREY in the chair] pointed out late this afternoon, so much of our debate is concerned with the authorization for economic aid to our friends and supporters on the European continent,

so much of our background is involved with them, so much of our emotional interest is tied up with them, that there is grave danger of overlooking the vital significance of the authorization for the Far East under title II of the bill.

Mr. President, I propose to discuss many other facets of the bill, or several facets incident to an amendment which I wish to call up tomorrow, and, although, as I shall point out tomorrow, the need in many European countries continues to be great, and, indeed, urgent, particularly in relation to the even larger military assistance which we are providing to Europe, the contrast with our proposals for the Near East countries is staggering indeed. Very little of our economic aid has been extended to this decisive area in the world struggle. It is rich in potential resources and strategic in location, but its security is pathetically weak and will continue to be weak unless the economies of its countries are improved and unless there is promise that the living standards of its people can be lifted to some minimum level of subsistence and opportunity.

The Middle East was an object of Russian imperialism under the Czars, and it is manifestly a critical Soviet objective today. To spend large sums for economic aid in Europe, and to stint on the Near East, is to repeat in another theater the classic French error in building the Maginot line along one frontier and neglecting another equally vulnerable. I realize that the authorizations for the Near East fared somewhat better proportionately than the others in the bill in the committee's final recommendations; but the amounts envisaged are pitifully small in relation to the critical need. I would, of course, like to see restored the entire sum proposed by the House as an absolute minimum, and I would like to hope that in the very near future the State Department and the other agencies in the administration will develop even more imaginative and more comprehensive programs on a scale commensurate with the needs and the opportunities in this vital part of the world.

One Near East country after another has lately been rocked by internal crises. The explosive story of Iran, Jordan, Lebanon, Egypt, and Israel is clear even to a casual reader of the daily press. Early in this session, I joined in the sponsorship of the bipartisan resolution to authorize \$150,000,000 in economic aid to Israel.

I may say to the distinguished occupant of the Chair that many of the arguments for this were very eloquently brought out by him in his speech a couple of hours ago. But there is no harm in my repeating the need and importance of the grant to Israel, which I discussed in a public address inserted in the Appendix of the CONGRESSIONAL RECORD by the distinguished Senator from New York [Mr. LEHMAN] on April 18. It was my position at the time, and I refer to it now only to express my regret that we have fallen so far short of it, that the assistance program for the entire Near East should have been developed in figures of that magnitude. I like to hope,

however, that the introduction of the earlier resolution dealing with Israel, undoubtedly contributed to the development of this more comprehensive program for all the people of the area. As for Israel, it is a country which looks to the west for its future. Its recent elections underscored its repudiation of extremism of the right or of the left. Israel was a bastion of democracy in World War II, and an important workshop and marshaling center. Today, it is the one country in the Near East with the mechanical skill, the facilities and personnel for the maintenance of essential military equipment, as was brought out so well, I may say, in the discussion between the Senator from Minnesota and me. Israel's shops and industries are growing with amazing rapidity, and it is even producing a good deal of the armaments needed for its own defense. Thus economic assistance to Israel is a direct contribution to the general defense of the west against the expansion of Soviet power at the crossroads of three continents.

Mr. President, the restoration of the \$50,000,000 earmarked for Arab and Jewish refugees, respectively, is most urgently indicated. Throughout American history, we have never failed to respond and give assistance in such great human emergencies, involving the fate of important segments of mankind. Here, we have the added reason that assistance in liquidating these acute refugee problems will relieve the tensions throughout the Near East, and thus help us achieve the goal of friendship and security which underlies our entire foreign policy and underlies this entire bill.

Mr. President, I ask unanimous consent to insert at this point the address to which I referred previously, although it was printed in April in the Appendix of the RECORD. If it is in line with the rules of the Senate, I should like to have it incorporated in the body of the RECORD because so much of it bears on this debate and bears on the remarks I have just made.

The PRESIDING OFFICER. Is there objection?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR W. BENTON ON THE GRANT-IN-AID BILL FOR ISRAEL BEFORE MEMBERS OF THE TEMPLE BETH ISRAEL, WEST HARTFORD, CONN., MONDAY, APRIL 16, 1951

Among the many engagements I have made in a crowded schedule for this 1 week in Connecticut, I take particular pleasure in this meeting with you. One reason is that it gives me a welcome opportunity to pay simple tribute to one of your members. I have come to know and respect him for his service in Congress, his integrity, his insight on public questions. Certainly it is one of the happier phases of my service in the Senate to be associated with a man of his capacity. I refer, of course, to your distinguished Member, and one of the most distinguished Members of the House of Representatives, ABE RIBICOFF.

Further, I was very glad this evening to talk to you briefly about some aspects of our foreign policy particularly in relation to the grant-in-aid for the State of Israel which I have joined in sponsoring in the Congress. This project, within the area of our foreign policy, is especially related to my own past

experience and my present interest in non-military programs in aid of our foreign-policy objectives. In the early 1940's when I served as consultant to Mr. Nelson Rockefeller in the Office of Inter-American Affairs, his brilliant leadership worked out a pattern of economic and technical assistance which was the forerunner—the grandfather as it were—of the present point 4 program. Later, in my capacity as Assistant Secretary of State for Public Affairs in the 2 years, immediately following the close of World War II, I worked at close range with those other nonmilitary aspects of foreign policy—diplomacy and economic and foreign-information policies in all their varied forms.

In setting up this distinction between military and nonmilitary aspects of foreign policy, we must be on guard against the distortions and unjustified criticisms of these non-military programs by some of their opponents in Congress, and by some of our critics abroad—on either side of the iron curtain. In no circumstances do I assert, nor have we built these programs on the assumption, that polemics about the American way will stop military force. Further, let us beware of the fallacy at the other extreme—that the need for military force in appropriate instances shows that non-military programs are a waste of the taxpayer's money.

Once aggression has taken the form of military force, it can only be repelled with effective forces of defense. That is the meaning of UN action in Korea. Further, where military force is ominously threatened, we must employ military assistance to forestall its use. That is the meaning of our Greek-Turkish program, and of the North Atlantic Treaty Organization which we are now implementing.

On the other hand, it is ultimate suicide to place our faith in those who want us to rely on military assistance alone. We must help our friends throughout the world to build economic sinews, for defense against military aggression as well as against economic and political subversion. We must take the lead in helping to develop and improve the economic life in those many areas of the world where economic or political backwardness provide the prime breeding places of communism, and because the prime points of weakness in the free world are around the Soviet perimeter. As Nelson Rockefeller reported recently in his brilliant report—"to do nothing is to invite despair; to act, to hope." The gains of ECA in rolling back communism in Europe show that this hope is tangible and realizable.

In the area of information policy, no informed observer will question the urgency of the great campaign of truth I have long advocated—to combat the falsehoods of Communist propaganda about the motives behind our economic assistance, our diplomacy, and our military aid. But beyond that wholly defensive effort, we must fortify the spirit and the will to resist. Without this spirit, weapons would be useless. What good is a machine gun in the hands of a man who doesn't want to pull the trigger? Further, we must marshal the great leadership and influence of America in the modern world, in advancing the goals of human rights and free institutions, wherever and whenever we can. A brilliant plan along these lines is the McMahon-Ribicoff resolution, of which I am proud to be a sponsor, to get the truth to the Russian people themselves.

All of these objectives and goals and programs are included in this vitally important area which I am calling the nonmilitary aspect of foreign policy.

All these major objectives in American foreign policy would be substantially advanced by enactment of the legislation authorizing a grant-in-aid of \$150,000,000 for the State of Israel. This legislation is in response to the request which has formally

been submitted to the State Department by the Government of that country. Senator McMAHON, Senators DOUGLAS and TART, and many other Senators of both parties, about 35 in all, have joined in sponsorship of this important measure. In the House of Representatives, sponsorship has been equally widespread and nonpartisan.

This bill in my judgment is in line with the long-standing policy of the United States, and especially of the Truman administration, to help establish a Jewish Commonwealth in Palestine, or rather to help reestablish on this sacred soil the commonwealth which flourished there in ancient times and for which the Jewish people throughout the ages have never ceased to aspire, to work, to pray, and to die. All of us here tonight can take great pride in the fact that the United States exerted strong leadership in the United Nations to give legal as well as moral sanction to the State of Israel.

My good friend, Lester Markel, Sunday editor of the New York Times, has summed up our profound interest in the new State in these terms:

"There are not one but three Israels—the land of the past, the land of the present, and the land of the future—and to the free world, the story of Israel is a vital and intimate part of the story of mankind."

The Prime Minister of Israel, David Ben-Gurion, has spoken of its future in terms which are indeed prophetic:

"I do not think of Jews as being the chosen people. But we have a dream—to build a civilization in (Israel) knowing that this country occupies a special place in world history, which will be free of the evils of our time. It must be a civilization based on the teachings of our prophets and on the strength of modern science. When I say prophets, I mean the ethics of their teachings; when I say science, I mean the material means to make this country a model for the entire Middle East."

These high goals should have a special reality and vividness for all the people of the United States because in many significant ways the birth and development of this small country of Israel so closely resemble our own. Its people are now moved by the same pioneer spirit as we were. It is the scene of a great migration movement which reminds us of the influx into the United States within the last century. It was born in a revolutionary war which recalls our own. Indeed, history may some day record that the emancipation of Israel's people meant as much for the independence and liberation of the Middle East as 1776 meant to this hemisphere. Yes, this little country of Israel fashions its daily life and its institutions in the image of western democracy. It respects human personality. It defends the right of its people to be free. It encourages private initiative—Fortune magazine has praised Israel's foreign investment law as a model for other countries. While it vigilantly guards the freedoms of its citizens, it mobilizes its economy to raise the living standards of all.

Here is a laboratory for the democratic way of life in the Near East. Here is a pilot plant in an area of the world potentially as sensitive and dangerous as any other anywhere. Here is Israel, within the framework of democratic institutions—business men and workers, industry and labor, work together in devotion to the common welfare. Here as in America, is demonstration to the world that a democratic system which fosters free enterprise and simultaneously stimulates cooperative effort can make tremendous strides for the welfare of all.

The great migration movement is at once the most remarkable feature of the new state and the source of its present economic embarrassment. Those who worked for the creation of the State of Israel—and there

are many among you who took the lead—told the free people of the world, they told the Congress, they told the United Nations, they told the people of the United States—that the state, if established, would provide a sanctuary for all who wanted to go there—that the doors would not only be thrown open but that they would stay open. Now, I do not think that many of you ever anticipated that in less than 3 years the DP camps of Europe would be emptied of all Jews; that Israel's population would be increased by almost 600,000 men, women, and children—a 75-percent increase in 3 years. Such a voluntary mass influx has no parallel in recorded history. The United States never in any single year increased its population by more than 3 percent. By the end of 1954 the State of Israel will have increased its population by 200 percent. The anticipated increase within the next 3 years alone would be equivalent to an immigration of 70,000,000 people to the United States. This immigration has been called "not a melting pot, but a pressure cooker."

This movement is further remarkable for a great and unique reason; the criterion of admission has not been the welfare of the exiting community, but, rather, the overriding necessity of those who entered. Moreover, the only deepening crisis in international affairs serves to increase the scale and urgency of this immigration.

I need not tell you here tonight about the significance of this human tide. Too many of you have been closer to the problem than I have. But let me mention the aspect which has impressed me most strongly. This is the emphasis on the welfare of children. Special programs for the movement of orphaned children have been developed with the utmost care and love and effectiveness. They are now pouring into the country at the rate of about 100 a month, and they come, mind you, from 62 different countries, with all the problems and the needs that single fact implies. As the parents of three orphan children—three of Mrs. Benton's and my children are adopted children—you will understand the strong emotional appeal which this great program has for us.

Receiving and expanding and aiding this great human stream is a remarkable economy geared to long-range economic goals as well as to the urgent problems of immediate rapid growth. Among the many achievements are the growth of thousands of small manufacturers and other independent businesses, in a great variety of fields looking to the self-sufficiency of the country in the not-too-distant future. In a single issue of a monthly publication of the Jewish Agency for Palestine which crosses my desk, entitled "Economic Horizons," I have read in concrete terms the story of new rubber tire factories, of chemical plants, of nonferrous industries, of manufacturers of shoes and clothing, of hotels, shipping, dairy cattle, handicrafts, of new pipelines and agricultural settlements, of new forests and new fisheries. American capital has been the major stimulation of these new and vital horizons in free enterprise in the Middle East—the General Tire and Rubber Co., the Ford Motor Co., Kaiser-Frazer and many others. Think a moment of this amazing part: investment in new enterprises in Israel was equivalent to more than 25 percent of the national income in 1949 and more than 30 percent of the national income in 1950.

The population of Israel itself has tightened its belt to a degree not known in our country—or in Great Britain even in wartime. The United Jewish Appeal has contributed more than a total of \$230,000,000 from individual Americans between 1948 and 1950. The United States has granted loans through the Export-Import Bank, at interest, to help finance this great capital expansion

upon which the future of Israel depends. Yet the need for hard currency continues at high and emergency levels. In order to bridge the gap until the expanded economy of the country can come into balance with the consumer needs of this growing population, Israel will continue to require great economic help from the outside. Otherwise, it cannot maintain its economic gains and fulfill our hopes. The grant which is provided by the legislation now pending in Congress will greatly help in bridging this dollar gap.

Since World War II the United States Government has helped to restore many countries impoverished by the conflict. Its program of assistance has been threefold. It began with direct relief to people in need (MNRA). Second, we went on to stabilize their economies and thus strengthen the democratic institutions of their governments. Finally, we are now assisting them to erect their military defenses.

This three-prong policy has braced the free world. Nations menaced by subversion have been enabled to maintain their freedom. Nations threatened by aggression have been encouraged to buttress their defense and to affirm their determination to resist attack. New vitality has been given to the great concepts of liberty and human rights.

President Truman's chief messages to Congress this year have stressed the importance of continuing our foreign-aid programs. Military aid predominates in Europe, economic aid in the Near and Far East. President Truman has put it well: "Economic stabilization is the advance guard of Soviet conquest—Economic development is the spearhead of freedom." By far the greater part of our foreign aid in recent years has been in the form of grants; in 1950, grants represented 92 percent of the total, to countries all around the world. The presently proposed legislation will include Israel.

The point 4 assistance which Israel has thus far received—in the amount of only \$500,000—has been devoted entirely to technical assistance. Fortunately this has not been devoted to such areas as elementary sanitation or education, important as these are, but rather advancement of techniques in industry and agriculture to the techniques directed to the special problem of this semiarid country. The newly proposed grant of \$150,000,000 would be a specialized form of point 4 assistance, in the highest and best sense of that program.

Mr. Sidney Sherwood, Secretary of the Export-Import Bank, has publicly paid tribute to the economical and effective use made by Israel of the loans advanced through that agency. With the safeguards written into the proposed legislation, and with the degree of private investment which Israel is achieving, there can be no question of the effectiveness of the grant to accomplish major objectives of the point 4 program—to help other people to help themselves, to develop the means of production and of livelihood, to advance the goals of free men everywhere.

Israel has already returned compensating benefits to us by its refugee resettlement program which has vastly reduced the burden of DP camps on international relief agencies and upon the United States Treasury. The grant now proposed is a substantial investment in progress which will bring far greater dividends per dollar than any thing we could spend on the DP camps. We should consider ourselves well rewarded if, in this critical area of the world, on the bridgehead of three continents, close to the dividing line of East and West, we help to erect a sturdy democratic nation, dedicated to the defense of freedom, determined to resist aggression, pledged to stand firmly in the front ranks of the free world.

Mr. BENTON. Mr. President, I am deeply grateful to the distinguished Sen-

ator from Arkansas for yielding me time.

Mr. FULBRIGHT. I am always delighted to yield to the distinguished Senator from Connecticut.

Mr. President, I desire to say a few words in support of the amendment which has been submitted by the senior Senator from Rhode Island [Mr. GREEN], the senior Senator from Connecticut [Mr. McMAHON], the junior Senator from Alabama [Mr. SPARKMAN] and myself. Unfortunately prior commitments require my absence from the Senate tomorrow, and I feel it necessary to say a few words about this particular subject.

First I may say that as a member of the Foreign Relations Committee I voted against the formula which was adopted calling for a 5-percent cut in the military authorization in the pending bill, and, to a certain extent, in the economic authorization. We had excellent testimony, I felt, that justified supporting the entire request, and, in addition, supporting the view that if any cut is made it should be in proportion, because this program was developed by the military and political authorities as an integrated program. They believe that the so-called economic item is just as important to the military objective as is the military item itself. We have fallen victim to the conception, and many people have the view, that the economic feature pertains only to purely consumer goods for the civilian population, which I think is an erroneous conception of the whole program.

I should like to recall for a moment some of the things we have done in an effort to try to offset the challenge of Russia and her satellites during the past 5 years, particularly what we have done under the Marshall plan. I think this program is a logical extension of the idea of the Marshall plan.

When that idea was first broached it was received with great enthusiasm, certainly on my part, and I think on the part of the people of this country. We carried that program on in a successful way, and had not the serious situation in Korea developed I believe we would be well on the way to liquidate the whole undertaking. But that is neither here nor there. Instead of our relations with Russia getting better, they have obviously worsened, and it is necessary to extend the idea of the Marshall plan, with emphasis upon the military aspects of the program.

I believe that, in a sense, an irresponsible position has been taken by many who have not studied the programs which have been carefully worked up in support of the administration's figures for this bill. I have reference particularly to our foreign missions, both in the civilian field of ECA in Europe and the military missions in Europe and in such places as Greece and Turkey. It seems to me that one must be very presumptuous, indeed, to challenge the validity of this program.

If some vital interest of this country has come into conflict with these figures I am quite willing to accept such an approach. In other words, if we were on the verge of bankruptcy, if we had no money whatever, if the appropriation of

the amount called for by the original request were simply beyond our capacity, of course we would have to cut our suit according to the cloth. But I have seen no such reasons advanced in justification of the cuts. The arguments made in favor of the cuts did not impress me. The cuts seem to me to be arbitrary figures. They were simply taken out of the hat. There was an original proposal, I think, for a 15 percent cut across the board. Somebody else said, "Well, I do not like that. Let us make it 5 and 30." I do not think any particular reason has ever been advanced as to why 5 and 30 is a good formula. It seems to be a formula that fits into the pattern of the House, which is roughly \$1,000,000,000.

I have read some of the debates in the House as to the cuts. They seem equally irresponsible. The proposal for a \$350,000,000 cut which came after several amendments had been voted down seems to me to be equally irresponsible. I have seen no persuasive reasons for the amounts suggested.

Finally the measure came before the Senate committee and, as I said before, I voted against the formula of 5 and 30 in the committee. Nevertheless, we have the bill before us, and I strongly urge the Senate to support the amendment proposed by the Senator from Rhode Island [Mr. GREEN] and other Senators, to which amendment I have already referred.

We have, on the other hand, some very persuasive arguments from General Eisenhower. What has been most persuasive to me in his argument is his strong endorsement of the idea of a federation of Europe.

I may remind the Senate that when the ECA authorizations were first brought before this body I attempted to have incorporated in the original authorization, and in each succeeding authorization, a statement that it was the policy of this Government to favor the federation of Europe. Later I believe we used the words "the political unification of Europe." But in any case, as I understand General Eisenhower's idea, it is the same.

Mr. McMAHON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Does the Senator from Arkansas yield to the Senator from Connecticut?

Mr. FULBRIGHT. I yield.

Mr. McMAHON. I desire to pay a compliment to the Senator from Arkansas, if he will allow me to do so, for the statesmanlike vision he demonstrated on the occasion of which he speaks. The argument was advanced then that if we suggested any political change in Western Europe the Soviets would blow it up into an attempt by us to dominate the political fabric and the political complexion of Western Europe. The majority of the Senate listened to that and voted down the proposal of the Senator from Arkansas. The Senator was right. Time has proved that he was right. History will show that he has been right.

Mr. FULBRIGHT. I appreciate very much those words of commendation by the senior Senator from Connecticut. I know of no one from whom I would rather have such an expression, because he has certainly demonstrated in his own particular field having been entirely correct on many occasions.

Mr. President, I desire to emphasize the very strong statement that General Eisenhower has made with regard to this matter. I do not wish to read a great deal, but I have in my hand an Associated Press dispatch based really upon the report made by the Senators, including the Senator from Connecticut, who recently visited General Eisenhower in Europe. I want to read just one paragraph from an Associated Press dispatch headlined Washington under date of August 27:

Eisenhower spoke hopefully of the day when all Western Europe might be joined together in a federal union, saying:

"I realize that a lot of my professional associates are going to think that I am completely crazy, but I will tell you that joining Europe together is the key to the whole thing. And if you can help do it with a European army, I am ready to put a lot of work in it.

"Personally," he said, "I am hopeful that many of our problems would disappear if this whole area of Western Europe were one federal union. I believe it so strongly that I do not believe real security is going to be felt in the United States, in the British Empire, and other nations of the globe until that comes about."

It so happens that about the same day, or the day after, the National Planning Association issued a very strong statement to the same effect, in which they said that our policy in Europe has been inadequate because we were not promoting, with all the persuasiveness which we could muster, the idea of the federation of Europe. I think the pending bill, with its approach to the economic as well as the military aspect, and in support of General Eisenhower, would be a great step along that road, now that people such as General Eisenhower have accepted that as a proper goal.

It seems to me that we tend to become overpowered by the military aspects of the problem, because of the critical situation in Korea, and the ominous reports we get from Russia, such as the one we got this morning. On reading the account in the New York Times of this morning, in which it was quoting all the newspapers of Russia, every one that I ever heard of, which said that the United States is prepared to attack Russia, I was reminded clearly of what Hitler said just before he jumped on Czechoslovakia, on Poland, on France, or on whatever country he wanted to jump on. Always when he was getting ready to attack some country, he said that that particular country was making ready to attack him.

I grant that the situation is very ominous. Nevertheless, I do not think we are justified in devoting all our efforts to the purely military aspect of this program, as necessary as that may be. I think the economic feature is quite as important, and absolutely essential if we are to try to build a world in which we can construct some kind of lasting peace.

So it seems to me that it would be a great mistake to cut this bill at this particular time.

If we must make a choice, I would advise that we cut some item in one of our domestic appropriation bills for the military in an equal amount. Several such bills are now being considered by the Congress. If I recall correctly, there is roughly some \$48,000,000,000 plus in the present budget for military appropriations. So if it is absolutely necessary to keep the total over-all budget within a set figure, I think it might be wise to transfer from our own domestic military the amount involved in this cut—in other words, approximately \$1,000,000,000. I believe that a cut such as is contemplated by the bill before the Senate might well have a very depressing psychological effect upon the European countries. According to the best reports available here, particularly from the committee which recently visited Europe, the European countries have committed themselves to very substantial efforts in the coming year.

In connection with the report which I just read from General Eisenhower, I saw a further statement by Lt. Gen. Alfred M. Gruenther. He makes several comments, but this is typical:

In terms of military budgets, considering the European effort as a whole, "there has been an over-all increase of 75 percent over the past year. These countries have now come up to 95 percent of the target figure they should."

In terms of length of conscription periods, "there has been an average increase of 35 percent since June a year ago."

In terms of munitions production, information "seems to indicate that there has been an increase of 70 percent over all."

He goes on with several others items, one of which is:

In terms of "morale, determination, and courage to face the threat and requirements it imposes, the feeling is that we have reached solid ground."

"For every dollar provided under this program for equipment to help in the building up of European forces, four or more dollars would have to be provided to build up United States forces having the same contributions to the United States security in Europe."

It seems to me that that is a very practical way to regard this bill and the significance of the cut which the committee has recommended. The testimony before the committee—at least in my view—was very persuasive, to the effect that for every dollar which we put into the economic effort in Europe under this bill, we will get three or four dollars of production of military equipment by the European nations themselves. That would appear to me to be very simple arithmetic which anyone could understand, and would be to our advantage.

I think one could properly observe that one reason why we have such tremendous expenditures now, and why they are necessary, is the lack of wisdom and foresight in our policy in the past. It appears to me to be quite a reasonable argument that if in the beginning of the Marshall plan we had insisted upon the unification of the European countries we might well now be so

far along in the strengthening of that area that this appropriation would not be necessary, or would be much smaller. But if we persist in being stupid, we must pay for it in one way or another. I feel that this is a part of the penalty we are paying now for not having had a wiser approach and having had more foresight 3 or 4 years ago when the Marshall plan first started.

Nevertheless, there is no point in criticizing past action. It is a question of what to do about the present situation. I for one am convinced that it is a good investment—probably the best investment for our own defense—to provide the full amount originally requested in this proposed legislation. I think we shall get more for our money if we assist in the building of factories and productive capacity for military goods in Europe than if we were to put the same amount of money into our own economy. As a matter of fact, our own economy is becoming so strained now from many points of view that I think it would be much wiser to distribute this assistance among European nations, particularly France and Italy.

Italy, for example, has serious unemployment. It has excess capacity in the mechanical end, that is in factories which could make trucks, guns, small arms, and all that sort of thing. So it seems to me it would be a very wise investment to put more of this money there and permit the Italians to work and produce, rather than to add much greater burdens upon our extended economy.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. McMAHON. Bearing on the point which the Senator from Arkansas has just made, I believe that there are about 2,000,000 unemployed in Italy today, which is a very large number for a country of the size and population of Italy. When we were in Rome, De Gasperi pointed out the bad effects of the unemployment situation, the loss of colonies, the lack of emigration, and the constant increase in population. The Italians do not believe in birth control. They are not raised that way. They have a 400,000 increase in population every year. De Gasperi said, "Unless we can get some contracts and some economic help to take up the slack in employment, the favorable curve which we have had with respect to communism might be reversed."

I wish to emphasize the point which the Senator has made with respect to the relationship between the economic situation in Italy and our security.

Mr. FULBRIGHT. I thank the Senator. He has emphasized a point which, after all, we should not overlook. At least on my part—and I believe on the part of most of the people of the country—our objective is still to try to prevent a war, and only secondarily to win one if it must come. We still are not committed to the idea of a preventive war. We are still doing things in the belief that they will prevent war. If that is true—and that is at least my view—then it is very important to use this aid, if it can be used in an efficient way, in such a manner that it will tend

to reduce communism in such countries as Italy and France. So we shall be killing two birds with one stone: First we shall get production. No one denies that the Italians are extremely ingenious and effective in the production of many types of mechanical goods. They make excellent trucks, small arms, and that sort of thing. We shall get goods; and, at the same time, I think this program could have a great influence in decreasing the attractiveness of communism in that country. That is why I believe we shall get more for our money in that situation than by spending the same amount of money in some of our factories, which are already short-handed. At the moment we are straining our economy almost to the limit, and we are only beginning. In another 6 months contracts will begin to take hold in our various factories, and we shall have a very heavy program of production.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Yes.

Mr. McMAHON. The Senator from Arkansas spoke about the ambitions which still remain in the free world to avoid a war. I am glad that he makes the point. I believe one of the saddest things that could happen to us would be for us to join in the Soviet thesis that war is inevitable. They believe it. They have said so. Lenin, Stalin, and all the other Communists have said so. It is a part of the orthodox body of opinion which they must believe if they are to remain members of the lodge in good standing. I take it that the Senator's point is that he thoroughly agrees that we are not ready to subscribe to the proposition that war is inevitable, but rather that we must devote our efforts as free men to preventing what would be the greatest catastrophe and holocaust which the world has ever known or imagined.

Mr. FULBRIGHT. The Senator is entirely correct. I certainly follow the thesis stated by the Senator. That is why I share the same conviction the Senator shares with respect to such programs as point 4. If I did not believe that there was still a chance, and a good chance, of preventing a world war of the kind which the Senator has so graphically described on many occasions, knowing as much as he does about the atomic aspects of our preparations, I would not feel as I do. I thoroughly subscribe to the idea. Therefore, I feel that this particular program can be used in such a way as to contribute a great deal to strengthening the countries from the point of view of their own internal political situation, if it is wisely used.

I am quite willing to admit, as I have already done, that ECA was not used as thoroughly in that way as I should like to have seen it used, specifically with reference to the federation of Europe, and in other ways. I am informed that it has been used in such a way in France and Italy, for example, that it has not given benefits to the workers in the same proportion that benefits have been given to the owners of factories. I realize that it

is a difficult thing to do. I do not like to be critical of the State Department. They were trying to do a big job, and they did do a big job in a fine way. They did not, however, employ all the means to bring it about. I wished they had done so. It would have helped them to keep down more effectively communism in those two countries. I regret that they did not do so.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not correct to say that the Senator from Arkansas offered amendments, both when ECA was originally proposed and when the appropriation was renewed, to the effect that there should be added help so as to induce the countries in question to work for political and economic integration.

Mr. FULBRIGHT. That is correct. I did offer amendments designed to use some of the money for a sort of incentive plan, and to tear down tariff barriers and permit the free movement of capital and goods.

Mr. DOUGLAS. Is it not also correct to say that when the Senator from Arkansas offered such amendments they were opposed by the State Department and perhaps the ECA?

Mr. FULBRIGHT. That is correct.

Mr. DOUGLAS. The State Department and ECA refused to back up the Senator from Arkansas. Therefore they must bear some of the share of responsibility for failure to integrate Europe.

Mr. FULBRIGHT. I believe the Senator has stated the situation correctly. However, I have long since passed over that situation. I hold no grudge against anyone.

Mr. DOUGLAS. I hold no grudge, either, but I think the past should be known, and the record of the State Department in this respect should be known.

Mr. FULBRIGHT. It is quite true that in the hearings—I forget which year it was, although I believe it was the second year, 1948—

Mr. DOUGLAS. 1949.

Mr. FULBRIGHT. I do know that in the hearings the Secretary of State directly challenged the idea that it was wise to insist upon a unification of Europe. He said it was premature to do so. He stated it should wait until there had come about greater economic strength in the European countries, and that we must first build them up. I did not agree then and I do not agree now, that that is correct.

Mr. DOUGLAS. Is it not quite possible that a great deal of trouble would have been avoided if the State Department had accepted at an earlier date the ideas of the Senator from Arkansas, instead of belatedly adopting them in 1951?

Mr. FULBRIGHT. I like to think so.

Mr. DOUGLAS. I am profoundly convinced that the attitude of the State Department in this respect, as in so many other respects, is one of ignoring suggestions which come from outside sources, or turning them down as foolish and ridiculous. But when they are convinced that such suggestions are worth while,

they put them into effect as their own ideas, without giving anyone else any credit for them. In that respect the State Department acts like a brutish husband, who turns down a suggestion of his wife as foolish and as having no merit, but who later, on finding that it is a good suggestion, seizes it as his own and says that he had thought of it all the time. Is that not correct?

Mr. FULBRIGHT. Well—

Mr. DOUGLAS. The Senator from Arkansas is more charitable than the Senator from Illinois.

Mr. FULBRIGHT. I dislike to single out the State Department. I found a great many people who felt that way.

Mr. DOUGLAS. That is true.

Mr. FULBRIGHT. Now that General Eisenhower and others have adopted the idea, and have strongly urged it, I am particularly interested, and I want to support that effort. As I said before the Senator from Illinois came into the Chamber, I believe we are paying for our short-sightedness by having to appropriate a great deal more money than we would otherwise have had to appropriate. But people must always pay for their mistakes. If a man makes a mistake in his own business, it will cost him money. I think it is particularly true in this connection. If we had had a start of 3 or 4 years in this regard, we would not now need to appropriate so much money. We could appropriate a much smaller amount. But that is the usual experience.

Mr. DOUGLAS. What could be done to bring the State Department into closer touch with the better thought of the Nation in that regard? What does the Senator from Arkansas suggest?

Mr. FULBRIGHT. The Senator from Illinois is getting me off the track. It is an extremely difficult problem. All we can seek to do now is to try to get sufficient funds to enable the military, particularly in the countries of Europe, to go to work in the way they have agreed to do. Before the Senator from Illinois came into the Chamber I read the statement of General Gruenther, who I believe all of us feel is a very able man. The testimony was unanimous that the people of Western Europe are showing some enthusiasm for the first time. General Eisenhower has inspired some enthusiasm, and so has General Gruenther. Now they are ready to go. It would be a great shame to cut their heads off at this time.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Yes.

Mr. HOLLAND. On the very point with reference to the attitude of European countries, does the Senator from Arkansas have any assurance that ECA help would have been acceptable to European countries at the beginning or even in the second year, let us say, if it had been coupled with a condition requiring federation at that time?

Mr. FULBRIGHT. I do not believe that matters of that kind can be reduced to such specific terms. I did not propose that the aid be conditioned upon a federation of Europe. The federation of Europe is a very difficult and complex

thing. All I asked was that our country accept as the legitimate, proper, and principal goal of the program the unification of Europe, and that everything be done to promote it. We had the words of such persons as Auriol, and even Attlee, that Europe must be federated. Many leading men have made statements to that effect. All that was needed, apparently, was a little push from us.

Instead of building tangible things such as plants, roads, and so on, some money should have been provided for tearing down obstructions to the free movement of goods and people. Of course, there would have been some dislocations, which would have been costly. If our money had been used to make the transition easy, to compensate, for example, those areas which would have suffered, it would seem to me it would have made a contribution to the ultimate objective.

However, I did not want to go into that altogether. I am not seeking to attack the State Department. After all, that is all we have to work with. We have to do the best we can. Some other time, when they are under consideration I shall be quite willing to go into that subject. I do not want to get off the track now in that respect. What we are trying to do now is to have some success in the European situation.

I said that General Eisenhower is a very persuasive man. He has come out strongly for the idea. The National Planning Association, whose statement I have just read, is also in favor of it. Others are in favor of it, too. Even the State Department thinks it would be a good thing if we could get a unification of Europe. They are backing the Schuman plan. It is a step in the right direction. It is a small step. However, they did take it, and it is on the way, I hope.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Yes.

Mr. McMAHON. Of course, the Senator has not forgotten the European Payments Union.

Mr. FULBRIGHT. That is correct.

Mr. McMAHON. Which again has a coordinating effect. Before the distinguished Senator from Illinois [Mr. DOUGLAS] came into the Chamber the Senator from Connecticut had complimented the Senator from Arkansas on his vision and leadership. I meant what I said.

However, lest we be too severe with the State Department, let us not forget that in 1946 Western Europe was about ready to go over the precipice, about ready to be encompassed within the hungry arms of the Great Bear; and it was a certain gentleman by the name of George Marshall, now our Secretary of Defense, then our Secretary of State, who had as his Under Secretary a gentleman named Dean Acheson, who went to Mississippi and tried this out; and then Marshall suggested to the European countries that if they would get together and suggest a plan, we might be able to give them some sustenance, to keep them from going over the brink.

Europe did that, and we kept our word, and in the Congress we created the ECA,

which I believe is one of the most magnificent chapters which ever has been written by a free people, and one of the finest exhibitions of leadership any country has ever shown at any time.

Yet, I say to the Senator from Arkansas, there are in this country those who spend all their time pursuing others with whom they disagree, who fought with all the resources at their command, with the support of great newspaper chains, to defeat that program, and would thus have turned Western Europe over to Russia. If they had been successful, tonight we would not be talking about saving Europe and thereby helping the security of the United States, but we would be talking about defending ourselves on the shores of the Atlantic and the shores of the Pacific.

Mr. FULBRIGHT. Mr. President, I could not agree more than I do with the Senator from Connecticut. The point he has raised is one reason why I have refrained from being too critical of the State Department. After all, there were many persons and groups besides the State Department who did not realize the situation. After all, in the Senate there were only 28 votes, as I recall, in favor of that recommendation. So this body has to bear as much of the blame as the State Department does, for this body supported that view. It is true that with some strong leadership from the State Department, some votes in the Senate might have been changed.

Nevertheless, a free and open opportunity was given to this body to include in the legislation that statement of policy—for, after all, it was only a statement of policy—but that opportunity was ignored; in fact, it was ignored on two or three occasions.

So I do not think we should be too harsh on the State Department. Many persons did not then realize what had happened and did not realize the effect on Europe of the industrial revolution which had occurred there, and did not realize that the industries there had long since become continental. In Europe many persons thought it was still necessary to use cartels and other artificial barriers, and they were used in ways that the Senator from Connecticut well knows. However, many persons in Europe did not realize the necessity of breaking down the old, obsolete system and creating a new one.

I believe if that can be done now, if the European countries can ever make that transition, that Europe can become an extremely powerful and stable community, and then I believe they can be a very important member of the North Atlantic alliance, whereas today they are a drain upon us, and would be of no help in case of a show-down. However, I think those countries can be of great help to us.

After all, in the case of Europe we must consider not only the countries strictly within the limits of the continent of Europe but also the countries which are dependencies. Those dependent areas are doing a much better job, and in many cases I think they can be a source of great strength to us.

Certainly the reverse is clear, namely, that if they came within the Soviet orbit,

there would be a situation in the case of such things as steel and coal and manpower which would be extremely serious for us, for in that event the 275,000,000 people of Europe would then be placed in the Soviet camp, and we would be left with our 150,000,000 people. So there is no question but that such a change would be most disastrous.

We have made our choice, it seems to me, between doing it alone and working with a coalition. There is nothing more difficult, it seems to me, than a coalition in peacetime, when there is not an all-out war. However, it seems to me that the latter policy is the one which we have instinctively decided to follow; at least, that is what I have decided to follow. I think that is one way by which we can avoid a third world war. If that way is successful, it will create a balance of power in our favor so great that it will deter the Russians. I think that is the justification for the program.

So I think it is extremely important that we strengthen Europe and, if possible, help her, by unity, to become a great force with the western civilization in the preservation of peace.

There is another aspect of the program on which I wish to comment at this time. I do not desire to cover all the program; after all, the committee report is an excellent one, and the chairman of the committee has outlined in some detail the general provisions of this measure. However, I cannot conclude without paying my respects to the point 4 program. It involves a relatively small amount of the total authorization. In round numbers, the original authorization carried in the bill for the point 4 program was approximately \$125,000,000, which now has been reduced to approximately \$87,000,000. That item bore the full brunt of the 30-percent formula reduction.

In the long run, I think that program contains more promise than anything else we are doing, especially when we consider it along with the program of the exchange of persons. I think the two programs are very similar in effect; and when they are joined together, I think they can do a great deal to weld the free peoples together into an effective union.

Mr. President, I regret exceedingly the cut which has been made in the South American item. After all, it was only \$22,000,000, including a payment to the United Nations; but now that item has been cut to approximately \$15,000,000. That is a very substantial cut, a cut of more than 33 percent, I believe. I think it will unduly hamper the modest activities which have been going on for a long time in South America, and which have had extremely effective cooperation from the South American countries.

The program is strictly an educational one, a program of giving to those people the knowledge we have in simple techniques in sanitation, for instance, both as applied to individual homes and as applied to villages.

Of course, that work is always very close to the heart of all of us agriculturalists from the rural States, because we are so familiar with the work of the county agents. All the county agents did was to bring to the farmer knowl-

edge which was developed in the schools and in the great research organizations. There was no way, even in this country, enlightened as we think we are along certain lines, for the farmers to know about these modern methods. It is even more difficult in foreign countries; and to enlighten them is the primary objective which the point 4 program is designed to achieve.

It seems to me very shortsighted to cut the appropriation for South America down to \$15,000,000 for the 21 countries, as I believe the number is, or less than \$1,000,000 per country. We can scarcely sustain any kind of program with such an amount; and I am sure the program will pay large dividends, leaving out the military feature. I have no doubt it will build good will, which will be valuable if we were to have an all-out fight. On the other hand, in the long-term peaceful development of this hemisphere, what could be more valuable than to teach the people of those countries to help themselves? That is the way to avoid the necessity for recurring large appropriations like this.

There is also involved the theory I entertain about a federation of Europe. If we could help bring it about, it would help relieve us from any necessity of protecting ourselves by trying to bolster the countries there by shots in the arm. I grant, if that is what we have to do, some day there must be an end to it. We cannot afford to continue it. I have been hoping we would have enough sense to make a move in that direction. I now see at least a glimmering. At least General Eisenhower has come out strongly for it.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield to the Senator from Illinois.

Mr. DOUGLAS. Has the State Department come out for this plan of the greater integration of Europe?

Mr. FULBRIGHT. Yes; they have, belatedly, as the Senator from Illinois stated a moment ago; it is my information that they now feel it is the right thing to do; and there is language in the pending legislation which they approved. It is almost the same language to which we referred a moment ago, which was approved in the initial legislation. It will be found in the early draft of the bill; so they have approved it. But I specifically singled out General Eisenhower because of the influence he now has with Europeans. So I think it is time for us to get in and push, rather than to withdraw. The way to end the recurring necessity for these heavy appropriations is to enable the people abroad to help themselves. That particularly holds true of South America and the Near East.

I was critical of the program which was proposed as to Iran. It provided for the shipment of huge, self-propelled combines, in which the great city of Chicago specializes, at a cost of \$4,500 apiece, and large motor-drawn combines, at \$2,500 apiece, as well as innumerable tractors at \$2,500 apiece, or thereabouts. I think it a wholly impractical and wasteful program to approach the problem in that way; whereas, if county

agents were sent, who would teach the foreigners how to plow with a steel plow, instead of a wooden plow, those plows, as Mr. Holmes testified before the committee, could be bought in India at \$1.45, as against the \$4,500 combine; and they need the plow much more than they need the combine, because they have to produce crops this year, and the knowledge and the conditions do not exist which will make possible the necessary production.

If we adopt any such project in the case of Iran, we shall have to send the personnel along to operate the machinery or they would ruin it in a short time. We had arguments about that. I did not approve of that part of the program, but I am thoroughly in accord with the so-called point 4 program, under Dr. Bennett, who has made an excellent record.

It is a manageable program. We can sustain it in all the designated countries for a long time and not miss the money, if we keep it on the scale proposed; and I am thoroughly in accord with keeping it on that scale.

I offered amendments providing that in regard to all these new programs, the administration would have to come to the Congress each year before they put the programs into effect, for the purpose of consulting the committee and letting us have a say about it. I hope they will carry out that directive in good faith. It is in the report, not in the bill. I had considerable argument with some other members of the committee, and I may say the committee supported the amendment in regard to point 4 unanimously, so they are all in agreement with that particular program.

However, that feature of the program bears the major part of the cut, in other words, the 30-percent cut in the bill; and I think it a mistake to cut the program down. In the long run, it is a mistake. It costs much more money in the long run in countries like Iran, Syria, Lebanon, and all through the Middle East, as well as in India and Pakistan. What India needs more than anything else is knowledge on the part of her farmers as to how to use, not combines, but long-handled hoes, instead of short-handled hoes.

Mr. DOUGLAS. Scythes instead of sickles.

Mr. FULBRIGHT. That is correct. That is what they need; and such knowledge would lessen the burden of the people greatly.

I have referred to Mr. Holmes. If the Senator has read or if he would read the hearings wherein Mr. Holmes describes his work in India, he would learn that in 3 years he doubled the production of wheat in the area in which he worked. He brought the average yield of wheat in that area from 13 bushels per acre to 26 bushels. It is really getting somewhere, when one can do that. And how much did it cost? His little operation cost \$70,000. There were three men in his team, and they trained 300 Indians to be acceptable county agents in a period of 3 years.

If we could send out 100 or 200 teams composed of men like Holmes, I would be for that; it would represent real prog-

ress, and would bring quick results. The question is how much we want to do in that connection. We can, I think, do more along that line than we are doing; but I do not quarrel about that. I think the program which was set up was a reasonable one, with the exception of the use of high-powered machinery, which only the intelligent students of the Senator from Illinois, and a few from Iowa, really know how to operate. We are just beginning to get a few such machines in my State, because of the expense, the size of the farms, and for other reasons; and there are many sections of this country where that kind of machinery is not used. It is suitable only to the great plains, I think. I do not believe it would be suitable in many places. There may be a few.

There is another aspect. I recently read a very interesting article in the New York Times on the probable effect on the high prices of cotton of the importation into Syria of some of this fine machinery, that is, as the machinery might be used by a few of the large landowners. But there is a social aspect to the problem. We are not trying to increase the prosperity of a few large landowners in that area of the world. Senators have never heard that Iraq is owned by 200 families. I am not particularly interested in any 200 families. What we are interested in is what the point 4 program is designed to do, namely, to reach the peasant farmers, the very poorest of men.

We have no business spreading around appropriations of this sort for a few of the great potentates in the part of the world where the money is to be sent. I think it would have an adverse effect, if we kept building up the great disparity which already exists in too great a degree in that part of the world.

Mr. President, I must conclude. I only wish to reiterate that I hope the Senate will consider most carefully the pending legislation, and will support the amendment proposed by the Senator from Rhode Island [Mr. GREEN] and the other Senators whom I mentioned a little earlier.

Mr. MORSE. Mr. President, I certainly had no intention of speaking today, but when one of my colleagues proposed an amendment this afternoon, the principle of which had been so roundly and soundly defeated in the Committee on Foreign Relations and the Committee on Armed Services, sitting jointly, by a vote of 19 to 1, an amendment which proposed to establish an independent agency for the administration of economic and military aid in Europe, I simply felt compelled, in view of the agreement which had been made for a limitation of time tomorrow, to express myself for the RECORD tonight.

In my judgment, the amendment proposed by my good friends, the Senator from New Jersey [Mr. SMITH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Ohio [Mr. TAFT], and the Senator from Tennessee [Mr. KEFAUVER] is so completely unsound in principle and would be so harmful to the foreign policy of our country that it must not be allowed to go to a vote tomorrow without a record being made against it.

On August 23 I spoke on the floor of the Senate against the principle of the Smith amendment, or against the Smith amendment, and I thought that the action of the Armed Services Committee and the Foreign Relations Committee subsequently had put at rest, at least for this session of the Congress, this proposal, which I consider to be exceedingly unwise, to create an independent agency for the administration of military and economic aid in Europe, and that nothing more need be said about it.

I deeply regret that I was not present for the very few minutes this afternoon when my good friend from New Jersey [Mr. SMITH] offered his explanation of his amendment. I think there is no doubt that it is true, if I am correctly advised as to what he said, that it was necessary for very sad reasons, because of a death in his family, for him to be absent from the meeting of the committee on the day on which the vote was taken which defeated his amendment by a vote of 19 to 1. However, one of his cosponsors on this amendment, the Senator from Tennessee [Mr. KEFAUVER], was there, and he registered his vote in support of what was then called the Smith-Saltonstall amendment, and the Senator from Tennessee, in his usual exceedingly able way, presented, I am sure, very cogently, all the reasons in support of the amendment, as its sponsors saw the reasons, that my good friend from New Jersey would have presented had he been present.

The amendment having had such full consideration in the committee and its having been defeated by such an overwhelming vote as 19 to 1, the Senate tomorrow, when it comes to consider the amendment in the very limited time that will be made available to the Senate for debate tomorrow, should give every favorable consideration to the fact that the Committee on Foreign Relations and the Committee on Armed Services have already rejected the principle of the amendment offered by the Senator from New Jersey [Mr. SMITH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Ohio [Mr. TAFT], and the Senator from Tennessee [Mr. KEFAUVER].

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MORSE. I shall be very happy to yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that there are two features to the so-called Smith amendment, first, that it provides that 10 percent of the total appropriation can be switched from one purpose to another at the judgment of the President, so that if it seems better or more economical, on the whole, to send machine tools and raw materials to Europe and to other countries and then for those countries, with their lower wage scales, to fabricate that material into tanks and guns and other military equipment, it can be done, and, therefore, one element of the so-called Smith amendment is greater flexibility in expenditures? Is not that true?

Mr. MORSE. There is no question that the Senator from Illinois has correctly outlined the nature of the amendment. I disagree with him as to the

effectiveness of it, but I want to say to my good friend from Illinois that he is about the last Member of the Senate whom I would expect to combine into one amendment two clearly separable proposals, two separate proposals which would have decidedly different effects and results, when each one could have been set forth in a separate amendment, if the authors of the amendment wanted to do so. I respectfully submit that they should have done so if they did not want to link together these two things which, in my opinion, bear very little relationship one to the other.

For example, I believe the question whether we shall have an independent agency for the administration of foreign economic and military aid is quite separate and distinct from the part of the amendment the Senator from Illinois now mentions. Were they separated, I should be very much more inclined, I assure the Senator from Illinois, to put my stamp of approval upon the exercise of the kind of discretion in the President which the Senator from Illinois now proposes. Incidentally, I think that is where the discretion should be, and it should be there throughout consideration of the administration of foreign military aid. I do not believe we should establish an independent agency whose administrative job primarily, as Secretary of Commerce Sawyer pointed out in the very excellent letter which he sent to our committee, will be that of spending, rather than, as I think should be part of the job, the task also of seeing to it that unnecessary spending is not committed.

That leads me to the first major point I wish to make in this speech. It is the point I emphasized in my speech of August 23; but believe me, Mr. President, I am convinced that it is a point which cannot be emphasized too much in the Senate; that is, the long-established historical pattern in our country that under our Constitution the responsibility in the field of foreign policy is primarily that of the President of the United States. If we do not like the President of the United States, or if we do not like the Secretary of State, to whom, during the decades, under the same historic pattern, have been delegated administrative functions in the field of foreign policy, let us face the problem of personnel in keeping with the procedures which our political system makes available to us, namely, the ballot box, so far as the President is concerned, and our powers of persuasion upon the President to get him to change the personnel of the State Department when we can demonstrate that it is not carrying out, in the interests of the country, the administrative functions delegated in the field or foreign policy. Surely, Mr. President, in the year 1951 we should not try to change the whole trend that has been manifested in American judicial decisions in regard to the constitutional powers of the President of the United States in the field of foreign policy.

I respectfully submit, whether my good friends, the sponsors of this amendment, realize it or not, that is exactly one of the results of their amendment.

In my opinion, that result is so ominous, so serious in its implications, that it should be overwhelmingly defeated on the floor of the Senate, as it was overwhelmingly defeated in the committee when the same principle was before the committee.

As I said in my speech on August 23—and I shall quote from it at greater length—the Curtiss-Wright case is recognized as the leading decision of the United States in the field of the power of the President in connection with foreign policy. In that case the Supreme Court said:

In this vast external realm, with its important, complicated, delicate, and manifold problems, the President alone has the power to speak or listen as a representative of the Nation.

Mr. President, I would recommend to the sponsors of the amendment that they take the time between now and tomorrow to read the full decision of the Supreme Court in the case of *United States v. Curtiss-Wright Export Corp.*, found in 299 United States, 304. Because it is such a leading case in this field of constitutional law, I ask unanimous consent to have the complete opinion printed at this point in my remarks, for I think there should be made available to the Members of the Senate tomorrow, as they sit in the Chamber and thumb the CONGRESSIONAL RECORD of today, a quick and ready reference to the decision of the Supreme Court in the Curtiss-Wright case.

There being no objection, the opinion of the United States Supreme Court in the Curtiss-Wright case was ordered to be printed in the RECORD, as follows:

OPINION OF THE COURT

The joint resolution is not presently valid, or alive for the purpose of sustaining prosecution for offenses heretofore committed thereunder.

The joint resolution was intended as a temporary provision, to be in force during the period between the first proclamation putting the prohibition into effect, and the later proclamation removing it. It was to be effective "until otherwise ordered by the President or by Congress." That time limit was reached when the revoking proclamation was issued. Having then expired, no further judicial proceedings could be had thereunder, unless competent authority had kept it alive for that purpose. (*Yeaton v. United States* (5 Cranch 281, 283—4); *United States v. Chambers* (291 U. S. 207); *The Rachel* (6 Cranch 329).)

Revised Statutes, section 13, by its terms, is applicable only where a statute has been "repealed." The word "repeal" means the abrogation of one statute by another statute.

Mr. Neil P. Cullom was on the brief for Barr Shipping Corp. et al., appellees.

Mr. Justice Sutherland delivered the opinion of the Court.

On January 27, 1936, an indictment was returned in the court below, the first count of which charges that appellees, beginning with the 29th day of May 1934, conspired to sell in the United States certain arms of war, namely 15 machine guns, to Bolivia, a country then engaged in armed conflict in the Chaco, in violation of the joint resolution of Congress approved May 28, 1934, and the provisions of a proclamation issued on the same day by the President of the United States pursuant to authority conferred by section 1 of the resolution. In pursuance of the conspiracy, the commission of certain

overt acts was alleged, details of which need not be stated. The joint resolution (c. 365, 48 Stat. 811) follows:

"Resolved, etc., That if the President finds that the prohibition of the sale of arms and munitions of war in the United States to those countries now engaged in armed conflict in the Chaco may contribute to the reestablishment of peace between those countries, and if after consultation with the governments of other American Republics and with their cooperation, as well as that of such other governments as he may deem necessary, he makes proclamation to that effect, it shall be unlawful to sell, except under such limitations and exceptions as the President prescribes, any arms of munitions of war in any place in the United States to the countries now engaged in that armed conflict, or to any person, company, or association acting in the interest of either country, until otherwise ordered by the President or by Congress.

"SEC. 2. Whoever sells any arms or munitions of war in violation of section 1 shall, on conviction, be punished by a fine not exceeding \$10,000 or by imprisonment not exceeding 2 years, or both."

The President's proclamation (48 Stat. 1744), after reciting the terms of the joint resolution, declares:

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, acting under and by virtue of the authority conferred in me by the said joint resolution of Congress, do hereby declare and proclaim that I have found that the prohibition of the sale of arms and munitions of war in the United States to those countries now engaged in armed conflict in the Chaco may contribute to the reestablishment of peace between those countries, and that I have consulted with the governments of other American Republics and have been assured of the cooperation of such governments as I have deemed necessary as contemplated by the said joint resolution; and I do hereby admonish all citizens of the United States and every person to abstain from every violation of the provisions of the joint resolution above set forth, hereby made applicable to Bolivia and Paraguay, and I do hereby warn them that all violations of such provisions will be rigorously prosecuted.

"And I do hereby enjoin upon all officers of the United States charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said joint resolution and this my proclamation issued thereunder, and in bringing to trial and punishment any offenders against the same.

"And I do hereby delegate to the Secretary of State the power of prescribing exceptions and limitations to the application of the said joint resolution of May 28, 1934, as made effective by this my proclamation issued thereunder."

On November 14, 1935, this proclamation was revoked (49 Stat. 3480), in the following terms:

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby declare and proclaim that I have found that the prohibition of the sale of arms and munitions of war in the United States to Bolivia or Paraguay will no longer be necessary as a contribution to the reestablishment of peace between those countries, and the above-mentioned proclamation of May 28, 1934, is hereby revoked as to the sale of arms and munitions of war to Bolivia or Paraguay from and after November 29, 1935, provided, however, that this action shall not have the effect of releasing or extinguishing any penalty, forfeiture, or liability incurred under the aforesaid proclamation of May 28, 1934, or the joint resolution of Congress approved by the President on the same date; and that the said proclamations and joint resolution shall be

treated as remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of such penalty, forfeiture, or liability."

Appellees severally demurred to the first count of the indictment on the grounds (1) that it did not charge facts sufficient to show the commission by appellees of any offense against any law of the United States; (2) that his count of the indictment charges a conspiracy to violate the joint resolution and the Presidential proclamation, both of which had expired according to the terms of the joint resolution by reason of the revocation contained in the Presidential proclamation of November 14, 1935, and were not in force at the time when the indictment was found. The points urged in support of the demurrers were, first, that the joint resolution effects an invalid delegation of legislative power to the Executive; second, that the joint resolution never became effective because of the failure of the President to find essential jurisdictional facts; and third, that the second proclamation operated to put an end to the alleged liability under the joint resolution.

The court below sustained the demurrers upon the first point, but overruled them on the second and third points (14 F. Supp. 230). The Government appealed to this court under the provisions of the Criminal Appeals Act of March 2, 1907 (34 Stat. 1246, as amended, U. S. C. title 18, sec. 682). That act authorizes the United States to appeal from a district court direct to this court in criminal cases where, among other things, the decision sustaining a demurrer to the indictment or any count thereof is based upon the invalidity or construction of the statute upon which the indictment is founded.

First. It is contended that by the joint resolution, the going into effect and continued operation of the resolution was conditioned (a) upon the President's judgment as to its beneficial effect upon the reestablishment of peace between the countries engaged in armed conflict in the Chaco; (b) upon the making of a proclamation, which was left to his unfettered discretion, thus constituting an attempted substitution of the President's will for that of Congress; (c) upon the making of a proclamation putting an end to the operation of the resolution, which again was left to the President's unfettered discretion; and (d) further, that the extent of its operation in particular cases was subject to limitation and exception by the President, controlled by no standard. In each of these particulars, appellees urged that Congress abdicated its essential functions and delegated them to the Executive.

Whether, if the joint resolution had related solely to internal affairs it would be open to the challenge that it constituted an unlawful delegation of legislative power to the Executive, we find it unnecessary to determine. The whole aim of the resolution is to affect a situation entirely external to the United States, and falling within the category of foreign affairs. The determination which we are called to make, therefore, is whether the joint resolution, as applied to that situation, is vulnerable to attack under the rule that forbids a delegation of the law-making power. In other words, assuming, but not deciding, that the challenged delegation, if it were confined to internal affairs, would be invalid, may it nevertheless be sustained on the ground that its exclusive aim is to afford a remedy for a hurtful condition within foreign territory?

—It will contribute to the elucidation of the question if we first consider the differences between the powers of the Federal Government in respect of foreign or external affairs and those in respect of domestic or internal affairs. That there are differences between them, and that these differences are fundamental, may not be doubted.

The two classes of powers are different, both in respect of their origin and their nature. The broad statement that the Federal Government can exercise no powers except those specifically enumerated in the Constitution, and such implied powers as are necessary and proper to carry into effect the enumerated powers, is categorically true only in respect of our internal affairs. In that field, the primary purpose of the Constitution was to carve from the general mass of legislative powers then possessed by the States such portions as it was thought desirable to vest in the Federal Government, leaving those not included in the enumeration still in the States. (*Carter v. Carter Coal Co.* (298 U. S. 238, 294).) That this doctrine applies only to powers which the States had, is self-evident. And since the States severally never possessed international powers, such powers could not have been carved from the mass of State powers but obviously were transmitted to the United States from some other source. During the colonial period, those powers were possessed exclusively by and were entirely under the control of the Crown. By the Declaration of Independence, "the Representatives of the United States of America" declared the United—not the several—Colonies to be free and independent States, and as such to have full power to levy war, conclude peace, contract alliances, establish commerce, and to do all other acts and things which independent States may of right do.

As a result of the separation from Great Britain by the colonies acting as a unit, the powers of external sovereignty passed from the Crown not to the colonies severally, but to the colonies in their collective and corporate capacity as the United States of America. Even before the declaration, the colonies were a unit in foreign affairs, acting through a common agency—namely, the Continental Congress, composed of delegates from the Thirteen Colonies. That agency exercised the powers of war and peace, raised an army, created a navy, and finally adopted the Declaration of Independence. Rulers come and go; governments end and forms of government change; but sovereignty survives. A political society cannot endure without a supreme will somewhere. Sovereignty is never held in suspense. When, therefore, the external sovereignty of Great Britain in respect of the colonies ceased, it immediately passed to the Union. (See *Penhallow v. Doane* (3 Dall. 54, 80-81)). That fact was given practical application almost at once. The treaty of peace, made on September 23, 1783, was concluded between his Britannic Majesty and the United States of America. 8 Stat.—European treaties—80.

The Union existed before the Constitution, which was ordained and established, among other things, to form "a more perfect Union." Prior to that event, it is clear that the Union, declared by the articles of confederation to be perpetual, was the sole possessor of external sovereignty and in the Union it remained without change save insofar as the Constitution in express terms qualified its exercise. The framers' convention was called and exerted its powers upon the irrefutable postulate that though the States were several their people in respect of foreign affairs were one. Compare the *Chinese Exclusion Case* (130 U. S. 581, 604, 606). In that convention, the entire absence of State power to deal with those affairs was thus forcefully stated by Rufus King:

"The States were not 'sovereigns' in the sense contended for by some. They did not possess the peculiar features of sovereignty, they could not make war, nor peace, nor alliances, nor treaties. Considering them as political beings, they were dumb, for they could not speak to any foreign sovereign whatever. They were deaf, for they could not hear any propositions from such sov-

ereign. They had not even the organs or facilities of defense or offense, for they could not of themselves raise troops, or equip vessels, for war." (5 Elliott's Debates 212.)¹

It results that the investment of the Federal Government with the powers of external sovereignty did not depend upon the affirmative grants of the Constitution. The powers to declare and wage war, to conclude peace, to make treaties, to maintain diplomatic relations with other sovereignties, if they had never been mentioned in the Constitution, would have vested in the Federal Government as necessary concomitants of nationality. Neither the Constitution nor the laws passed in pursuance of it have any force in foreign territory unless in respect of our own citizens (see *American Banana Co. v. United Fruit Co.* (213 U. S. 347, 356)); and operations of the Nation in such territory must be governed by treaties, international understandings and compacts, and the principles of international law. As a member of the family of nations, the right and power of the United States in that field are equal to the right and power of the other members of the international family. Otherwise, the United States is not completely sovereign. The power to acquire territory by discovery and occupation (*Jones v. United States* (137 U. S. 202, 212)), the power to expel undesirable aliens (*Fong Yue Ting v. United States* (149 U. S. 698, 705 et seq.)), the power to make such international agreements as do not constitute treaties in the constitutional sense (*Altman & Co. v. United States* (224 U. S. 583, 600-601)); Crandall, *Treaties, Their Making and Enforcement* (2d ed., p. 102 and note 1), none of which is expressly affirmed by the Constitution, nevertheless exist as inherently inseparable from the conception of nationality. This the court recognized, and in each of the cases cited found the warrant for its conclusions not in the provisions of the Constitution, but in the law of nations.

In *Burnet v. Brooks* (288 U. S. 378, 396) we said, "As a nation with all the attributes of sovereignty, the United States is vested with all the powers of government necessary to maintain an effective control of international relations." Cf. *Carter v. Carter Coal Co.*, supra, page 295.

Not only, as we have shown, is the Federal power over external affairs in origin and essential character different from that over internal affairs, but participation in the exercise of the power is significantly limited. In this vast external realm, with its important, complicated, delicate, and manifold problems, the President alone has the power to speak or listen as a representative of the Nation. He makes treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it. As Marshall said in his great argument of March 7, 1800, in the House of Representatives, "The President is the sole organ of the Nation in its external relations, and its sole representative with foreign nations" (Annals, 6th Cong., vol. 613). The Senate Committee on Foreign Relations, at a very early day in our history (February 15, 1816), reported to the Senate, among other things, as follows:

"The President is the constitutional representative of the United States with regard to foreign nations. He manages our concerns with foreign nations and must necessarily be most competent to determine when, how, and upon what subjects negotiation may be urged with the greatest prospect of success. For his conduct he is responsible to the Constitution. The committee consider this responsibility the surest pledge for the faith-

ful discharge of his duty. They think the interference of the Senate in the direction of foreign negotiations calculated to diminish that responsibility and thereby to impair the best security for the national safety. The nature of transactions with foreign nations, moreover, requires caution and unity of design, and their success frequently depends on secrecy and dispatch" (U. S. Senate Reports, Committee on Foreign Relations, vol. 8, p. 24).

It is important to bear in mind that we are here dealing not alone with an authority vested in the President by an exertion of legislative power, but with such an authority plus the very delicate, plenary and exclusive power of the President as the sole organ of the Federal Government in the field of international relations—a power which does not require as a basis for its exercise an act of Congress, but which, of course, like every other governmental power, must be exercised in subordination to the applicable provisions of the Constitution. It is quite apparent that if, in the maintenance of our international relations, embarrassment—perhaps serious embarrassment—is to be avoided and success for our aims achieved, congressional legislation which is to be made effective through negotiation and inquiry within the international field must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved. Moreover, he, not Congress, has the better opportunity of knowing the conditions which prevail in foreign countries, and especially is this true in time of war. He has his confidential sources of information. He has his agents in the form of diplomatic, consular, and other officials. Secrecy in respect of information gathered by them may be highly necessary, and the premature disclosure of it productive of harmful results. Indeed, so clearly is this true that the first President refused to accede to a request to lay before the House of Representatives the instructions, correspondence and documents relating to the negotiation of the Jay treaty—a refusal the wisdom of which was recognized by the House itself and has never since been doubted. In his reply to the request, President Washington said:

"The nature of foreign negotiations requires caution, and their success must often depend on secrecy; and even when brought to a conclusion a full disclosure of all the measures, demands, or eventual concessions which may have been proposed or contemplated would be extremely impolitic; for this might have a pernicious influence on future negotiations, or produce immediate inconveniences, perhaps danger and mischief, in relation to other powers. The necessity of such caution and secrecy was one cogent reason for vesting the power of making treaties in the President, with the advice and consent of the Senate, the principle on which that body was formed confining it to a small number of Members. To admit, then, a right in the House of Representatives to demand and to have as a matter of course all the papers respecting a negotiation with a foreign power would be to establish a dangerous precedent." (1 Messages and Papers of the Presidents, p. 194.)

The marked difference between foreign affairs and domestic affairs in this respect is recognized by both Houses of Congress in the very form of their requisitions for information from the executive departments. In the case of every department except the Department of State, the resolution directs the official to furnish the information. In the case of the State Department, dealing with foreign affairs, the President is requested to furnish the information "if not incompatible with the public interest." A statement that to furnish the information is

not compatible with the public interest rarely, if ever, is questioned.

When the President is to be authorized by legislation to act in respect of a matter intended to affect a situation in foreign territory, the legislator properly bears in mind the important consideration that the form of the President's action—or, indeed, whether he shall act at all—may well depend, among other things, upon the nature of the confidential information which he has or may thereafter receive, or upon the effect which his action may have upon our foreign relations. This consideration, in connection with what we have already said on the subject, discloses the unwisdom of requiring Congress in this field of governmental power to lay down narrowly definite standards by which the President is to be governed. As this court said in *Mackenzie v. Hare* (239 U. S. 299, 311), "As a Government, the United States is invested with all the attributes of sovereignty. As it has the character of nationality it has the powers of nationality, especially those which concern its relations and intercourse with other countries. We should hesitate long before limiting or embarrassing such powers."

In the light of the foregoing observations, it is evident that this court should not be in haste to apply a general rule which will have the effect of condemning legislation like that under review as constituting an unlawful delegation of legislative power. The principles which justify such legislation find overwhelming support in the unbroken legislative practice which has prevailed almost from the inception of the national Government to the present day.

Let us examine, in chronological order, the acts of legislation which warrant this conclusion:

The act of June 4, 1794, authorized the President to lay, regulate, and revoke embargoes. He was authorized, whenever, in his opinion, the public safety shall so require to lay the embargo upon all ships and vessels in the ports of the United States, including those of foreign nations, under such regulations as the circumstances of the case may require, and to continue or revoke the same, whenever he shall think proper (c. 41, 1 Stat. 372). A prior joint resolution of May 7, 1794 (1 Stat. 401), had conferred unqualified power on the President to grant clearances, notwithstanding an existing embargo, to ships or vessels belonging to citizens of the United States bound to any port beyond the Cape of Good Hope.

The act of March 3, 1795 (c. 53, 1 Stat. 444), gave the President authority to permit the exportation of arms, cannon, and military stores, the law prohibiting such exports to the contrary notwithstanding; the only prescribed guide for his action being that such exports should be in cases connected with the security of the commercial interest of the United States, and for public purposes only.

By the act of June 13, 1798 (c. 53, sec. 5, 1 Stat. 566), it was provided that if the Government of France shall clearly disavow, and shall be found to refrain from the aggressions, depredations, and hostilities theretofore maintained against vessels and property of the citizens of the United States, in violation of the faith of treaties, and the laws of nations, and shall thereby acknowledge the just claims of the United States to be considered as in all respects neutral, * * * it shall be lawful for the President of the United States, being well ascertained of the premises, to remit and discontinue the prohibitions and restraints hereby enacted and declared; and he shall be, and is hereby authorized to make proclamation thereof accordingly.

By section 4 of the act of February 9, 1799 (ch. 2, 1 Stat. 615); it was made lawful for the President, "if he shall deem it expedient and

¹ In general confirmation of the foregoing views, see 1 Story on the Constitution, 4th ed., §§ 198-217, and especially §§ 210, 211, 213, 214, 215 (p. 153), 216.

consistent with the interest of the United States," by order to remit certain restraints and prohibitions imposed by the act with respect to the French Republic, and also to revoke any such order "whenever, in his opinion, the interest of the United States shall require."

Similar authority, qualified in the same way, was conferred by section 6 of the act of February 7, 1800 (ch. 10, 2 Stat. 9).

Section 5 of the act of March 3, 1805 (ch. 41, 2 Stat. 341), made it lawful for the President, whenever an armed vessel entering the harbors or waters within the jurisdiction of the United States and required to depart therefrom should fail to do so, not only to employ the land and naval forces to compel obedience, but "if he shall think it proper, it shall be lawful for him to forbid, by proclamation, all intercourse with such vessel, and with every armed vessel of the same nation, and the officers and crew thereof; to prohibit all supplies and aid from being furnished them" and to do various other things connected therewith. Violation of the President's proclamation was penalized.

On February 28, 1806, an act was passed (ch. 9, 2 Stat. 351) to suspend commercial intercourse between the United States and certain parts of the island of St. Domingo. A penalty was prescribed for its violation. Notwithstanding the positive provisions of the act, it was by section 5 made lawful for the President to remit and discontinue the restraints and prohibitions imposed by the act at any time "if he shall deem it expedient and consistent with the interests of the United States" to do so. Likewise in respect of the Nonintercourse Act of March 1, 1809 (ch. 24, 2 Stat. 528), the President was authorized (sec. 11, p. 530), in case either of the countries affected should so revoke or modify her edicts "as that they shall cease to violate the neutral commerce of the United States," to proclaim the fact, after which the suspended trade might be renewed with the nation so doing.

Practically every volume of the United States Statutes contains one or more acts or joint resolutions of Congress authorizing action by the President in respect of subjects affecting foreign relations, which either leave the exercise of the power to his unrestricted judgment, or provide a standard far more general than that which has always been considered requisite with regard to domestic affairs. Many, though not all, of these acts are designated in the footnote.²

² Thus, the President has been broadly "authorized" to suspend embargo acts passed by Congress, "if in his judgment the public interest should require it" (act of December 19, 1806, ch. 1, sec. 3, 2 Stat. 411), or if, "in the judgment of the President," there has been such suspension of hostilities abroad as may render commerce of the United States sufficiently safe (act of April 22, 1808, ch. 52, 2 Stat. 490; see also, act of March 3, 1817, ch. 39, sec. 2, 3 Stat. 361; compare, but as to reviving an embargo act, the act of May 1, 1810, ch. 39, sec. 4, 2 Stat. 605). Likewise, Congress has passed numerous acts laying tonnage and other duties on foreign ships, in retaliation for duties enforced on United States vessels, but providing that if the President should be satisfied that the countervailing duties were repealed or abolished, then he might by proclamation suspend the duties as to vessels of the nation so acting. Thus, the President has been "authorized" to proclaim the suspension (act of January 7, 1824, ch. 4, sec. 4, 4 Stat. 3; act of May 24, 1828, ch. 111, 4 Stat. 308; act of July 24, 1837, ch. 13, 30 Stat. 214). Or it has been provided that the suspension should take effect whenever the President "shall be satisfied" that the discriminating duties have been abolished (act of March 3, 1815, ch. 77, 3 Stat.

It well may be assumed that these legislative precedents were in mind when Congress passed the joint resolutions of April 22, 1898 (30 Stat. 739; March 14, 1912, 37 Stat. 630; and January 31, 1922, 42 Stat. 361), to prohibit the export of coal or other war material. The resolution of 1898 authorized the President "in his discretion, and with such limitations and exceptions as shall seem to him expedient" to prohibit such exportations. The striking identity of language found in the second resolution mentioned above and in the one now under review will be seen upon comparison. The resolution of March 14, 1912, provides:

"That whenever the President shall find that in any American country conditions of domestic violence exist which are promoted by the use of arms or munitions of war pro-

224; act of May 31, 1830, ch. 219, sec. 2, 4 Stat. 425). Or that the President "may direct" that the tonnage duty shall cease to be levied in such circumstances (act of July 13, 1832, ch. 207, sec. 3, 4 Stat. 578; and compare act of June 26, 1884, ch. 121, sec. 14, 23 Stat. 53, 57). Other acts, for retaliation against discriminations as to United States commerce, have placed broad powers in the hands of the President, "authorizing" even the total exclusion of vessels of any foreign country so offending (act of June 19, 1886, ch. 421, sec. 17, 24 Stat. 79, 83), or the increase of duties on its goods or their total exclusion from the United States (act of June 17, 1930, ch. 497, sec. 388, 46 Stat. 590, 704), or the exclusion of its goods or the detention, in certain circumstances, of its vessels, or the exclusion of its vessels or nationals from privileges similar to those which it has denied to citizens of the United States (act of September 8, 1916, ch. 463, sec. 804-806, 39 Stat. 756, 799-800). As to discriminations by particular countries, it has been made lawful for the President, by proclamation, which he "may in his discretion, apply * * * to any part or all" of the subjects named, to exclude certain goods of the offending country, or its vessels (act of March 3, 1887, ch. 839, 24 Stat. 475; and compare act of July 26, 1892, ch. 248, 27 Stat. 267; compare, also, authority given the Postmaster General to reduce or enlarge rates of foreign postage, among other things, for the purpose of counteracting any adverse measures affecting our postal intercourse with foreign countries (act of March 3, 1851, ch. 20, sec. 2, 9 Stat. 587, 589)). The President has been "authorized" to suspend an act providing for the exercise of judicial functions by ministers, consuls, and other officers of the United States in the Ottoman dominions and Egypt whenever he "shall receive satisfactory information" that the governments concerned have organized tribunals likely to secure to United States citizens the same impartial justice enjoyed under the judicial functions exercised by the United States officials (act of March 23, 1874, ch. 62, 18 Stat. 23). Congress has also passed acts for the enforcement of treaties or conventions, to be effective only upon proclamation of the President. Some of them may be noted which "authorize" the President to make proclamation when he shall be "satisfied" or shall receive "satisfactory evidence" that the other nation has complied (act of August 5, 1854, ch. 269, sec. 1, 2, 10 Stat. 587; act of March 1, 1873, ch. 213, sec. 1, 2, 17 Stat. 482; act of August 15, 1876, ch. 290, 19 Stat. 200; act of December 17, 1903, ch. 1, sec. 1, 33 Stat. 3; cf. act of June 11, 1864, ch. 116, sec. 1, 13 Stat. 121; act of February 21, 1893, ch. 150, 27 Stat. 472). Where appropriate, Congress has provided that violation of the President's proclamations authorized by the foregoing acts shall be penalized. (See, e. g., act of June 19, 1886; act of March 3, 1887; act of September 8, 1916; act of June 17, 1930—all supra.)

cured from the United States, and shall make proclamation thereof, it shall be unlawful to export except under such limitations and exceptions as the President shall prescribe any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress.

"Sec. 2. That any shipment of material hereby declared unlawful after such a proclamation shall be punishable by fine not exceeding \$10,000, or imprisonment not exceeding 2 years, or both."

The third resolution is in substantially the same terms, but extends to any country in which the United States exercises extra-territorial jurisdiction, and provides for the President's action not only when conditions of domestic violence exist which are promoted, but also when such conditions may be promoted, by the use of such arms or munitions of war.

We had occasion to review these embargo and kindred acts in connection with an exhaustive discussion of the general subject of delegation of legislative power in a recent case, *Panama Refining Co. v. Ryan* (293 U. S. 888, 421-422), and in justifying such acts, pointed out that they confided to the President "an authority which was cognate to the conduct by him of the foreign relations of the Government."

The result of holding that joint resolution here under attack is void and unenforceable as constituting an unlawful delegation of legislative power would be to stamp this multitude of comparable acts and resolutions as likewise invalid; and while this Court may not, and should not, hesitate to declare acts of Congress, however many times repeated, to be unconstitutional if beyond all rational doubt it finds them to be so, an impressive array of legislation such as we have just set forth, enacted by nearly every Congress from the beginning of our national existence to the present day, must be given unusual weight in the process of reaching a correct determination of the problem. A legislative practice such as we have here, evidenced not by only occasional instances, but marked by the movement of a steady stream for a century and a half of time, goes a long way in the direction of proving the presence of unassailable ground for the constitutionality of the practice, to be found in the origin and history of the power involved, or in its nature, or in both combined.

In *The Laura* (114 U. S. 411, 416) this court answered a challenge to the constitutionality of a statute authorizing the Secretary of the Treasury to remit or mitigate fines and penalties in certain cases, by repeating the language of a very early case (*Stuart v. Laird* (1 Cranch 299, 309)) that the long practice and acquiescence under the statute was a "practical exposition * * * too strong and obstinate to be shaken or controlled. Of course, the question is at rest, and ought not now to be disturbed." In *Burrow-Giles Lithographic Co. v. Sarony* (111 U. S. 53, 57), the constitutionality of Revised Statutes, section 4952, conferring upon the author, inventor, designer, or proprietor of a photograph certain rights, was involved. Mr. Justice Miller, speaking for the court, disposed of the point by saying: "The construction placed upon the Constitution by the first act of 1790, and the act of 1802, by the men who were contemporary with its formation, many of whom were members of the convention which framed it, is of itself entitled to very great weight, and when it is remembered that the rights thus established have not been disputed during a period of nearly a century, it is almost conclusive."

In *Field v. Clark* (143 U. S. 649, 691), this court declared that " * * * the practical construction of the Constitution, as given by so many acts of Congress, and embracing

almost the entire period of our national existence, should not be overruled, unless upon a conviction that such legislation was clearly incompatible with the supreme law of the land." The rule is one which has been stated and applied many times by this court. as examples, see *Ames v. Kansas* (111 U. S. 449, 469); *McCulloch v. Maryland* (4 Wheat. 316, 401); *Downes v. Bidwell* (182 U. S. 244, 286).

The uniform, long-continued, and undisputed legislative practice just disclosed rests upon an admissible view of the Constitution which, even if the practice found far less support in principle than we think it does, we should not feel at liberty at this late day to disturb.

We deem it unnecessary to consider, seriatim, the several clauses which are said to evidence the unconstitutionality of the joint resolution as involving an unlawful delegation of legislative power. It is enough to summarize by saying that, both upon principle and in accordance with precedent, we conclude there is sufficient warrant for the broad discretion vested in the President to determine whether the enforcement of the statute will have a beneficial effect upon the reestablishment of peace in the affected countries; whether he shall make proclamation to bring the resolution into operation; whether and when the resolution shall cease to operate and to make proclamation accordingly; and to prescribe limitations and exceptions to which the enforcement of the resolution shall be subject.

Second. The second point raised by the demurrer was that the joint resolution never became effective because the President failed to find essential jurisdictional facts; and the third point was that the second proclamation of the President operated to put an end to the alleged liability of appellees under the joint resolution. In respect to both points, the court below overruled the demurrer, and thus far sustained the Government.

The Government contends that upon an appeal by the United States under the Criminal Appeals Act, from a decision holding an indictment bad, the jurisdiction of the court does not extend to questions decided in favor of the United States, but that such questions may only be reviewed in the usual way after conviction. We find nothing in the words of the statute or in its purposes which justifies this conclusion. The demurrer in the present case challenges the validity of the statute upon three separate and distinct grounds. If the court below had sustained the demurrer without more, an appeal by the Government necessarily would have brought here for our determination all of these grounds, since in that case the record would not have disclosed whether the court considered the statute invalid upon one particular ground or upon all of the grounds alleged. The judgment of the lower court is that the statute is invalid. Having held that this judgment cannot be sustained upon the particular ground which that court assigned, it is now open to this court to inquire whether or not the judgment can be sustained upon the rejected grounds which also challenge the validity of the statute and, therefore, constitute a proper subject of review by this court under the Criminal Appeals Act (*United States v. Hastings* (296 U. S. 188, 192)).

In *Langnes v. Green* (282 U. S. 531), where the decree of a district court had been assailed upon two grounds and the circuit court of appeals had sustained the attack upon one of such grounds only, we held that a respondent in certiorari might nevertheless urge in this court in support of the decree the ground which the intermediate appellate court had rejected. That principle is applicable here.

We proceed, then, to a consideration of the second and third grounds of the demur-

ers which, as we have said, the court below rejected.

1. The Executive proclamation recites, "I have found that the prohibition of the sale of arms and munitions of war in the United States to those countries now engaged in armed conflict in the Chaco may contribute to the reestablishment of peace between those countries, and that I have consulted with the governments of other American Republics and have been assured of the cooperation of such governments as I have deemed necessary as contemplated by the said joint resolution." This finding satisfies every requirement of the joint resolution. There is no suggestion that the resolution is fatally uncertain or indefinite; and a finding which follows its language, as this finding does, cannot well be challenged as insufficient.

But appellees, referring to the words which we have quoted above, contend that the finding is insufficient because the President does not declare that the cooperation of such governments as he deemed necessary included any American Republic and, therefore, the recital contains no affirmative showing of compliance in this respect with the joint resolution. The criticism seems to us wholly wanting in substance. The President recites that he has consulted with the governments of other American Republics, and that he has been assured of the cooperation of such governments as he deemed necessary as contemplated by the joint resolution. These recitals, construed together, fairly include within their meaning American Republics.

2. The second proclamation of the President, revoking the first proclamation, it is urged, had the effect of putting an end to the joint resolution, and, in accordance with a well-settled rule, no penalty could be enforced or punishment inflicted thereafter for an offense committed during the life of the joint resolution in the absence of a provision in the resolution to that effect. There is no doubt as to the general rule or as to the absence of a saving clause in the joint resolution. But is the case presented one which makes the rule applicable?

It was not within the power of the President to repeal the joint resolution, and his second proclamation did not purport to do so. It "revoked" the first proclamation; and the question is, Did the revocation of the proclamation have the effect of abrogating the resolution or of precluding its enforcement insofar as that involved the prosecution and punishment of offenses committed during the life of the first proclamation? We are of opinion that it did not.

Prior to the first proclamation the joint resolution was an existing law, but dormant, awaiting the creation of a particular situation to render it active. No action or lack of action on the part of the President could destroy its potentiality. Congress alone could do that. The happening of the designated events—namely, the finding of certain conditions and the proclamation by the President—did not call the law into being. It created the occasion for it to function. The second proclamation did not put an end to the law or affect what had been done in violation of the law. The effect of the proclamation was simply to remove for the future a condition of affairs which admitted of its exercise.

We should have had a different case if the joint resolution had expired by its own terms upon the issue of the second proclamation. Its operative force, it is true, was limited to the period of time covered by the first proclamation. And when the second proclamation was issued, the resolution ceased to be a rule for the future. It did not cease to be the law for the antecedent period of time. The distinction is clearly pointed out by the Superior Court of Judicature of New Hampshire in *Stevens v. Dimond* (6 N. H. 330, 332,

333). There, a town bylaw provided that if certain animals should be found going at large between the 1st day of April and the last day of October, etc., the owner would incur a prescribed penalty. The trial court directed the jury that the bylaw, being in force for a year only, had expired so that the defendant could not be called upon to answer for a violation which occurred during the designated period. The State appellate court reversed, saying that when laws "expire by their own limitation, or are repealed, they cease to be the law in relation to the past, as well as the future, and can no longer be enforced in any case. No case is, however, to be found in which it was ever held before that they thus ceased to be law, unless they expired by express limitation in themselves, or were repealed. It has never been decided that they cease to be law, merely because the time they were intended to regulate had expired. * * * A very little consideration of the subject will convince anyone that a limitation of the time to which a statute is to apply, is a very different thing from the limitation of the time a statute is to continue in force."

The first proclamation of the President was in force from the 28th day of May 1934, to the 14th day of November 1935. If the joint resolution had in no way depended upon Presidential action, but had provided explicitly that, at any time between May 28, 1934, and November 14, 1935, it should be unlawful to sell arms or munitions of war to the countries engaged in armed conflict in the Chaco, it certainly could not be successfully contended that the law would expire with the passing of the time fixed in respect of offenses committed during the period.

The judgment of the court below must be reversed and the cause remanded for further proceedings in accordance with the foregoing opinion.

Reversed.

Mr. Justice McReynolds does not agree. He is of opinion that the Court below reached the right conclusion and its judgment ought to be affirmed.

Mr. Justice Stone took no part in the consideration or decision of this case.

MR. MORSE. Mr. President, I should like to invite attention to a book by Corwin, entitled "The President, Office and Powers." I read from page 208:

The President is the sole organ of the Nation in its external relations and its sole representative with foreign nations.

Whom was the author quoting? John Marshall. These were the words of John Marshall, spoken in 1799.

As for the junior Senator from Oregon, Mr. President, he will be glad to stand in the shadow of John Marshall any time on any constitutional law point.

I submit to my colleagues in the Senate, and particularly to my colleagues on this side of the aisle, that to my way of thinking my party should never vary from living up to the full meaning and intent and spirit of the separation-of-powers doctrine of the Constitution of the United States. In my judgment, once again in this session of Congress we see in this amendment another variance, from the separation-of-powers doctrine of the Constitution of the United States.

Oh, yes, I know there are reasons which I think explain the confusion that has developed in this session of Congress in regard to the separation-of-powers doctrine. We might just as well face the fact, and face it frankly, that

in this country there has developed, to a disturbing degree, a great deal of confusion with regard to some of the practices and policies of the administration, and particularly within the State Department, in the field of foreign relations. But, Mr. President, I hold to the view that it is in times of problems, it is in times of crises, and it is in times of confusion and uncertainty that we should cling tenaciously to the basic principles of the Constitution, including the principle of the separation-of-powers doctrine, which recognizes that we are a Government of three coordinate, coequal, and independent branches of Government. I am not going to be a party to any proposal which in my judgment invades the constitutional prerogative of any one of the three branches of that coordinate, coequal, and independent tripartite system of government.

I rise to oppose the amendment here tonight because I cannot reconcile it, anymore than I could on August 23, with the separation-of-powers doctrine, and what I consider to be the prerogative of the President of the United States in the field of foreign relations.

There are some other references, Mr. President, which we have considered heretofore in this session of Congress, when we had the troops-to-Europe issue before the Senate. Then again the separation of powers doctrine became involved in the debate, and once again a committee of the Senate brought forward a scholarly report which ought to be reviewed in connection with the Smith amendment, because I think many of the things set forth in that report are equally applicable to the Smith amendment.

Thus on page 1 of the report of the Committee on Foreign Relations and Armed Services of February 28, 1951, on the powers of the President to send the Armed Forces outside the United States, there brought together certain citations, which I think are applicable to the debate on the Smith amendment. Having cited the appropriate sections of the Constitution itself on the executive powers of the President, we said in that report:

In addition to these specific grants of authority the courts have recognized that the President, as that branch of the Government vested with the "Executive power" (*ibid.*, art. II, sec. 1), has certain powers in the field of foreign affairs which are not conferred expressly by the Constitution but are derived from the fact that the United States is a sovereign nation, with rights and obligations under the law of nations. In the field of foreign affairs the courts have called the President the "sole organ of the Nation."

Citing again, the leading case of *United States v. Curtiss-Wright* (299 U. S. 304) at page 318, and citing also *Cunningham v. Neagle* (135 U. S. 1), at page 64.

Also in that report we pointed out:

While the Congress has power to declare war, to raise and support armies, to make rules for the government and regulation of the land and naval forces, and other powers important and necessary to the conduct of foreign policy, and to the defense of the United States, these powers are not to be so construed as to curb or cripple the powers of the President as Commander in Chief.

For our supporting authority we cited *Swain v. United States* (28 Court of Claims, pages 173, 221).

Thus—

In time of war, the powers of the President as Commander in Chief are full and complete.

Citing the old case of *Fleming* against Page:

The power to declare war, which is vested in the Congress by the Constitution, does not impair the authority of the President, in the absence of a declaration of war, to do all that may be needful as Commander in Chief to repel invasion, to repress insurrection, and to use the Armed Forces for the defense of the United States.

Those are the famous *Prize* cases. I respectfully submit that I do not see how one can look at the task which confronts the President of the United States in regard to NATO without finding that the principles laid down in the *Prize* cases are applicable today.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I wonder if the Senator would first permit me to finish this legal analysis, and then I shall be very happy to yield. I think the Senator ought to hear me in full on that phase, and then ask his questions on the basis of that.

We state in the report:

In addition to this power to use the Armed Forces for the defense of the country and its foreign policy interests, the President has the authority and the duty to carry out treaties of the United States. Treaties, duly approved, are the law of the land and it becomes the President's duty to "take care that they be faithfully executed" as laws.

We are dealing, Mr. President, with a treaty. Let us not forget that in the whole matter of foreign military and economic aid connected with this particular bill, we are dealing still and will, I think, for some years to come, with the implementation of the North Atlantic Treaty. That is the parent of this proposed legislative action; and the obligations of the President in connection with the treaty in the field of foreign policy continue. I submit that we violate the separation-of-powers doctrine when in the field of foreign policy in connection with the implementation of the North Atlantic pact we seek to destroy that discretionary power of the President which has been exercised by all Presidents in our history.

Thus in our report, in connection with this last point, we cited *United States versus schooner Peggy*, an 1801 case, and we said further:

The President has discretion to decide what measures, within the sphere of his constitutional powers, shall be adopted to carry out the purpose of a treaty. He does not depend on implementing legislation when the purpose of the treaty can be served by something that he has the power to do.

On page 3 of that report which I cite tonight for reference, Mr. President, we said:

In approaching this field of constitutional law it should be noted that the Constitution does not clearly and explicitly define the respective powers of the President and the Congress in the field of military and foreign affairs. While the Constitution allocates certain large powers in general terms to one

or the other, it does not prevent conflicts between them. Such conflicts have been common in American history and of tremendous political and historical importance to the country. Over the years certain defined patterns of conduct have grown up based upon the actions taken by the President or the Congress. These acts are not precedents in the legal sense, but in this field of constitutional law they have great value in defining the meaning of the Constitution.

By the nature of things the courts have not been called upon to decide the major conflicts between the President and the Congress in this field. Such clashes seldom present justiciable issues. Where private rights have been involved, the courts have been very careful not to infringe upon the powers of either the President or the Congress. Where possible, they have side-stepped the issue. Where this has not been possible, they have acted almost without exception to affirm the views taken by the President as to the extent of his own authority.

I also call attention again to the oft repeated quotation from the great Marshall in *Marbury* against Madison. Again, it is a quotation which bears directly both upon this power of the President and also upon the separation-of-powers doctrine. In that great decision the great Marshall said:

By the Constitution of the United States, the President is invested with certain important political powers, in the exercise of which he is to use his own discretion, and is accountable only to his country in his political character, and to his own conscience. * * * The subjects are political: they respect the Nation, not individual rights and, being entrusted to the Executive, the decision of the Executive is conclusive. The application of this remark will be perceived, by adverting to the act of Congress for establishing the Department of Foreign Affairs. This officer—the Secretary of State—as his duties were prescribed by that act, is to conform precisely to the will of the President: he is the mere organ by whom that will is communicated. The acts of such an officer, as an officer, can never be examinable by the courts.

Every freshman student in every course in constitutional law for decades gone by has been taught the great constitutional principles laid down by Marshall in that memorable decision in *Marbury* against Madison. I submit that this constitutional doctrine laid down by Marshall is as applicable today as when he penned those historic words; and to my way of thinking they have a direct bearing upon the Smith amendment, because in my opinion, one of the effects of the Smith amendment would be to restrict and impinge upon and interfere with the exercise of a discretionary power which I believe is inherent in the President of the United States in the field of foreign policy.

Let me make perfectly clear, Mr. President, that I expect to stay so long in the Senate that undoubtedly the opportunity will be presented to me to make, in the not too distant future, the same defense of the powers of the President of the United States when a Republican occupies the White House.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MORSE. In a moment. So far as the junior Senator from Oregon is concerned, I will stand on the Constitu-

tion and fight to protect the principle of separation of powers, irrespective of which party occupies the White House.

I now yield to the Senator from Illinois.

Mr. DOUGLAS. How long in the future does the Senator from Oregon expect he will have to remain here before he finds that consummation?

Mr. MORSE. A little less than 2 years. If I can stay away from the heels of horses during that period of time, God willing, I shall be here, because I still have that long to serve, and I shall be taking the same stand in support of what I have come to call, as my Republican philosophy, a policy of constitutional liberalism as I am taking here tonight in defense of what I believe are the clear Presidential powers of a Democrat now in the White House.

I recommend for the reading of my good friends, on the subject of the Smith amendment, the interesting book by Van Nostrand, entitled "How Foreign Policy Is Made," particularly the chapter beginning on page 102. I shall not take the time to read it at this late hour, but I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks pages 102, 103, 104, 105, and the first two lines on page 106.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

UNITED STATES—THE PRESIDENT AND CONGRESS IN FOREIGN AFFAIRS

The Constitution of the United States did not expressly delegate authority for the conduct of foreign affairs to any specified agency. However, it has been inferred from the beginning and long since accepted as a fact by constitutional lawyers that the initiative for the formulation of chief foreign policies remains in the hands of the President. The Department of State, established by law in 1789, is "the legal organ of communication between the President and other countries," and therefore, the Secretary of State, the Department's administrative head, becomes the official spokesman of the President and the Government of the United States vis-à-vis foreign governments.

The Constitution provides that the President inform Congress about the state of the Union; that he receive accredited foreign representatives, nominate United States envoys to foreign countries, and take part in the two most important prerogatives of all—the treaty-making power and the war-making power.

These powers are, however, limited by Congress. "The President shall have power," says the Constitution, "by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." The Senate may also accept the President's proposals conditionally—that is, it may modify treaties without rejecting their substance. But it is up to the President finally to ratify such treaties by signing them. Only thus can they become law.

Declarations of war must be passed by Congress, usually at Presidential instigation. However, in practice the President, as Chief Executive with power to conduct foreign relations, and as Commander in Chief of the Armed Forces, can order military action before or without declaration of war by Congress. In such cases the constitutional authority of Congress to declare war amounts primarily to official and legal recognition of already existing conditions. This is of particular significance in the age of atomic energy, supersonic speed, and radio-guided

missiles. Congress could, at least in theory, affect the continuation of an armed conflict by impeaching the President and by refusing to provide funds for the conduct of war.¹

Information about international problems may be requested from the President by both Houses of Congress. The increasing complexity of international relations and the concurrently heavier responsibilities for policy decisions have caused United States Presidents in recent times to seek close cooperation with advisory bodies of the Congress, notably the Foreign Affairs Committees of both the House and the Senate. Constitutionally, the Senate has a much stronger position than the House in the determination of foreign policy since it is regarded as an advisory body of the President in matters concerning foreign affairs.

Yet the House of Representatives can exert strong influence through holding the purse strings of the United States Treasury. It can pass, cut down, or deny requests for money appropriations. In this way, it can bring about organizational modifications in both the Department of State and the Armed Forces, entailing serious consequences and influence on the relations between the United States and the world. While it is sometimes held that the power to rule by appropriation is against the spirit of the Constitution, there seems to be no indication that the founding fathers wanted to prevent such possibility. The House of Representatives, like the Senate, may also express its views on foreign policy by passing, modifying, or rejecting proposed laws that have a bearing on foreign affairs, such as tariffs, subsidies, or support of prices, or may pass resolutions stating its views, joint or respective, about any foreign policy, existing or proposed.

To avoid the pitfalls of appropriation cuts, the President will remain in constant touch with both Houses of Congress and confer with the party leaders of both Houses when decisions of great importance are to be made.

It is through Congress and the election machinery that popular control over United States foreign policy may be exercised. Yet, appealing as the doctrine of a people's control over foreign policy may be and fine as the principle of open diplomacy is, in the conduct of foreign affairs the security and welfare of the state do not always permit these ideals to be carried out. Many a delicate issue demands careful treatment, which public discussions could not possibly give. Furthermore, large sections of the public might not understand or have the time, training, or background of information to master the nature of the issue and the context in which it is being treated—unless much time, money, and effort are spent by both the Government and the citizens on an educational campaign in order to enlighten the voters on the issues at stake. In that respect, the Office of Public Affairs of the State Department does what it can within its strictly limited budget; on the other hand, the United States Congress is most suspicious of any kind of propaganda and has often felt that Government information activities should be narrowly circumscribed by microscopic appropriations.

Yet even though it will have to remain up to the experts who have access to essential information, to analyze conditions, draw conclusions, and submit recommendations, it is nevertheless possible for the American

people to exercise influence upon the conduct of foreign affairs. This position is inherent in the Constitution, which demands that the President ratify treaties with the "advice and consent" of at least two thirds of the Senators voting. Senate proceedings are, of course open, and the Senate is a directly elected representation of the people, whose will it is their duty to express.

There is, however, a way to postpone or circumvent congressional participation in Presidential treaty actions. Such actions are called "executive agreements." They have been used by many Presidents of the United States since the time of George Washington, who himself made use of them. The vast majority of these agreements were approved by the Senate retroactively, but there were others that were either amended or turned down, or not acted upon at all, without necessarily losing their international validity. (Executive agreements not only may concern actions initiating treaties but may also deal with the termination of existing treaties.)

Among the more famous Executive agreements figure Jefferson's Louisiana Purchase, which was, of course, ratified by the Senate at a later date. Similar agreements also initiated the acquisition by the United States of the Territory of Texas, Hawaii, Samoa, and the Panama Canal Zone as well as a number of far eastern and Latin American issues.² Executive agreements were concluded during World War II between the United States and the Soviet Union.

As the significance of foreign affairs is continuing to increase to the extent where it overshadows and profoundly affects domestic issues and where Presidents of the United States might well be elected primarily on the strength of their foreign-policy platform rather than on the basis of the attractiveness of their domestic programs alone, the Congress is more anxious than ever to maintain an adequate control over the Nation's international relations. Yet, although the Constitution determines the nature of the influence that the Congress is entitled to exert upon the President and its policy agencies, the usage of executive agreements—unmentioned by the Constitution—has become firmly entrenched in the practices of United States conduct of foreign affairs. "Doubtless the President, uniting with the Congress through legislative enactment expressed in a joint resolution or otherwise, is enabled to go farther than the Executive has ever heretofore seen fit to proceed." Indeed, there have been important Executive agreements that were never ratified as treaties, yet established such matters as the incorporation of Texas, the participation of the United States in the Universal Postal Union or United States cooperation with the International Labor Organization.

Mr. MORSE. Mr. President, in order that I may soon yield to my good friend from Illinois, I hasten to make one further reference which I wish to place in the RECORD tonight.

In due course of time I may find myself retired from public life, and back teaching constitutional law. If and when that not-too-unhappy plight is visited upon me I shall have prepared here tonight at least one lecture which I can give. So, Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of

¹ The Constitution is silent about ending a state of war. By practice and decisions of the Supreme Court, it is now established that war may be ended by treaty—in which case only the Senate would be involved in ratification—or by joint resolution of Congress, repealing "authorization of hostilities." (Cf. E. S. Corwin, *The Constitution and What It Means Today*, Princeton University Press, Princeton, N. J., 1947, p. 63.)

² Cf. W. M. McClure, *International Executive Agreements*, Columbia University Press, New York, 1941, pt. 1.

³ C. C. Hyde, "Constitutional Procedures for International Agreements by the United States," *Proceedings of the American Society of International Law*, 1937, p. 45.

my remarks, some words from Plischke's *Conduct of American Diplomacy*, on pages 37, 38, 39, 40, 41, and 42, over to the subdivision on page 43 which begins "Congress, appropriations, and foreign relations."

There being no objection, the excerpt was ordered to be printed in the *RECORD*, as follows:

FORMULATION OF FOREIGN POLICY

Executive formulation of foreign policy: The Constitution is mute on the important matter of responsibility for foreign-policy formulation.¹ There consequently is no tangible limitation on the exercise of this power by the President. While this may not have been intended by the framers of the Constitution, it is a logical arrangement because the Chief Executive generally is better advised on diplomatic matters and is in a better strategic position than the other branches of Government to establish American policy. Usually, he alone has adequate information and a grasp of changing developments which are essential in readjusting our foreign policy or procedure to meet the exigencies of the day.

A number of our classic foreign policies were established by the Executive. Among the best known are the isolation policy and the Monroe Doctrine. Both were initiated in Executive pronouncements, the former flowing from President Washington's Neutrality Proclamation of 1793 and his Farewell Address of 1796, while the Monroe Doctrine was first publicly propounded in President Monroe's message to Congress of December 2, 1823. Various subsequent executive interpretations of the Monroe Doctrine also have been proclaimed as American foreign policies from time to time. The American policies of freedom of the seas, aerial freedom, recognition, and nonrecognition likewise stem from Executive action. More recently American Presidents have announced the good-neighbor policy, the four freedoms, unconditional surrender, and the so-called Truman doctrine.

Occasionally, however, a foreign policy is more intimately associated with, or bears the name of, the Secretary of State. The ultimate determination of such policies, of course, falls within the jurisdiction of the executive. Since the President is politically responsible for the acts of his department heads, a policy established by a Secretary of State obviously must be construed as having Presidential approval. As a result, the Hay open door policy, the Hughes arms limitation policy, the Stimson nonrecognition policy, the Hull trade and tariff policy, and the Marshall plan must be considered as being acceptable to and duly authorized by the Presidents under whom their sponsors served as Secretary of State.²

The President may be assisted in the formation of foreign policy by other administrative units. In addition to the Department of State, he may rely upon the Armed Forces and the Department of Defense; the Treasury, Justice, Commerce, and the other major departments; and such independent administrative agencies as the Federal Trade Commission, the United States Tariff Commission, the Civil Aeronautics Administration, and the Export-Import Bank.³

Frequently our foreign policies are initially proclaimed in Presidential messages to Congress. The latter are not only authorized but are required by the Constitution, which states that the President "shall from time to time give to the Congress information of the state of the Union."⁴ They are presented annually at the beginning of each legislative session and whenever the President deems it necessary to transmit a special message to the Congress. Today they usually are delivered by the President in person, and their presentation takes priority over all other business. Policies such as the Monroe Doctrine (December 2, 1823); Wilson's Fourteen Points (January 8, 1918); Roosevelt's Good Neighbor Policy (March 4, 1933), the Four Freedoms (January 6, 1941), Lend-Lease (also January 6, 1941), complete disarmament for Germany and Japan following World War II (January 7, 1943), and the Truman Doctrine (March 12, 1947) were first publicized in Presidential messages.⁵

Other major policies, although not originating in this fashion, nevertheless may subsequently be presented in a Presidential message if congressional legislation is essential for their implementation. This was the case, for example, in President Truman's message summoning Congress to meet in special session on November 25, 1947, to consider immediate economic aid to Europe as part of the Marshall plan.

The Constitution further empowers the President to recommend to Congress "such measures as he shall judge necessary and expedient."⁶ He does not as a rule submit specific legislative proposals to Congress but merely presents his recommendations in general terms and leaves the details to the legislature. Because of his broad executive powers in the foreign relations field, however, the President naturally is less inclined to use this recommendation power in foreign policy determination than for domestic measures.

Congress and policy formulation: The role of Congress in foreign policy formulation was restricted at the outset by virtue of the fact that the Constitution failed to accord to it the authority which the Continental Congress previously had enjoyed.⁷ From time to time, however, the Houses of Con-

gress sought to outline external policy in a number of ways.⁸

Occasionally the Senate and the House of Representatives have mutually attempted to do so through legislative resolutions. For example, in 1864, during the Maximilian fiasco in Mexico, the House of Representatives precipitately adopted a unanimous resolution disapproving the overthrow of the Mexican Republican Government and replacing it with a monarchy forcibly established by French power and headed by an Austrian archduke. Primarily because of the exigencies of the Civil War, Secretary of State Seward, in a note to the French Government disavowing this action, indicated that it was not an expression of the attitude of the President and that the action of the House did not accord with its constitutional prerogatives.

During the heated debates of Congress in the 1880's concerning arbitrary prohibitions on Chinese immigration to this country, which resulted in a number of legislative acts suspending all Chinese immigration, the Senate passed a resolution in 1888 requesting President Cleveland to open negotiations with China for a treaty to control this matter. Such an immigration treaty finally was ratified in 1894.

A Japanese company was reported in 1912 to be negotiating with Mexico for a coaling station in Magdalena Bay, in Lower California. The Senate sought by resolution introduced by Henry Cabot Lodge to establish a Monroe Doctrine corollary to the effect that no Western Hemisphere territory could be possessed by a foreign state for naval or military purposes, even if this involved merely quasi-public corporations. This Lodge resolution appears to have become a part of the Monroe Doctrine.⁹

One of the issues in the heated controversy with Mexico during the 1920's over American oil rights was the validity of the 1925 Mexican petroleum law, which changed the legal basis of oil interests from a property right to a governmental concession. The Senate approved a resolution in 1927 favoring our arbitration of the issue with Mexico, but President Coolidge disregarded it. At best, such resolutions are simply statements of legislative policy. That they are not ipso facto binding upon the executive department is illustrated by the fact that the House proposal of 1864 was officially repudiated by Secretary Seward, and also by President Coolidge's refusal to be bound by the Senate action of 1927.

When, however, foreign policy is initiated or confirmed by statute, bearing the President's signature, it is official and binding. In the established legislative process, both Congress and the President are concerned, and the approval of both is necessary irrespective of the origin of the policy. This is especially true when appropriations of money are required. In recent decades, specific policy programs have been initiated by such legislation with respect to the Hull trade agreements program, the Neutrality Acts in the 1930's, lend-lease, the Truman Doctrine, and the Marshall plan.

If foreign policy is provided for by treaty, on the other hand, it is initiated by the Executive subject to Senate approval. The following are examples of policies occasioned by this procedure: The Washington Conference Four Power Pact to maintain the status quo in the Pacific and the Nine Power Pact for the preservation of the integrity of China (1921-22), the Kellogg-Briand Pact renouncing war as an instrument of na-

¹ For a general discussion of this matter, see Blair Bolles, *Who Makes Our Foreign Policy?* Foreign Policy Association, Headline Series No. 62 (1947), and *Major Problems of United States Foreign Policy, 1948-49*, a Study Guide, prepared by the International Studies Group of the Brookings Institution (1948), Appendix, pp. 219-238. The broad subject of policy formulation, comparing the practice of various countries, is discussed in Kurt London, *How Foreign Policy Is Made* (1949), especially pt. II on *The Formulation of Foreign Policy*. An excellent collection of readings in the field of our foreign relations is to be found in Lawrence H. Chamberlain and Richard C. Snyder, *American Foreign Policy* (1948).

² The same is true, of course, of foreign policies initiated by other ranking administrative officials, such as our initial postwar German occupation policy as issued by the Joint Chiefs of Staff in "JCS 1067," the basic principles of which were formulated by Secretary of the Treasury Henry Morgenthau, Jr.

³ For analysis, see Bolles, *Who Makes Our Foreign Policy?* op. cit., pp. 16-33; Blair Bolles, "Influence of Armed Forces on United States Foreign Policy," 22 *Foreign Policy Reports* (October 1, 1946); Fritz Karl Mann, "The Government Corporation as a Tool of Foreign Policy," *Public Administration Review* (1943), pp. 194 ff.

⁴ Art. II, sec. 3.

⁵ Not all of these policies were first conceived in these messages, however. For the early development of the lend-lease policy, for example, see Edward R. Stettinius, Jr., *Lend Lease: Weapon for Victory* (1944), chap. 6.

⁶ Art. II, sec. 3.

⁷ For account, see Blair Bolles, *Congress and Foreign Policy*, 20 *Foreign Policy Reports* (January 15, 1945), pp. 266-275; also see the accounts of Sumner Welles, *Pressure Groups and Foreign Policy*, 181 *Atlantic Monthly* (November 1947), pp. 63-67; and W. Y. Elliott, *Congressional Control Over Foreign Policy Commitments*, in *International Commitments and National Administration* (1949), pp. 1-22.

⁸ For comments on postwar bipartisanship in foreign policy formulation, see Blair Bolles, *Bipartisanship in American Foreign Policy*, 24 *Foreign Policy Reports* (January 1, 1949).

⁹ See Samuel F. Bemis, *A Diplomatic History of the United States* (rev. ed., 1942), p. 535.

tional policy (1928), and the Inter-American Treaty for Reciprocal Assistance¹⁰ multilateralizing the Monroe Doctrine among the Pan-American States (1947).

At times the President also seeks to initiate policy by Executive agreement, especially when the Senate neglects to ratify a proposed treaty, or if such an agreement is deemed to be necessary for military reasons. In 1905 the Senate failed to approve the treaty submitted by President Theodore Roosevelt providing for an American financial protectorate for the Dominican Republic in order to avert European intervention in the collection of their debts. The President thereupon instituted the protectorate by Executive *modus vivendi*, which continued in existence some 28 months, when the Senate finally approved a new treaty. It is interesting to note that in the following year Senator Henry M. Teller, of Colorado, declared that he denied the unilateral right of the President to make any treaty, protocol, or pact of that character which is binding upon the United States. Such power, he declared, is clearly and unequivocally given to Congress if it rests anywhere in the American constitutional system.

During the crucial war years, President Franklin D. Roosevelt negotiated a number of military agreements with our anti-Axis allies at Washington (United Nations declaration), Casablanca, Quebec, Cairo, Tehran, and Yalta. Upon his succession to the Presidency, Mr. Truman concluded this series at Potsdam in mid-1945. As Commander in Chief, the President obviously is constitutionally empowered to formulate military policy by this means, but his commitments on posthostilities territorial questions and political issues would seem to require normal Senate approval.¹¹

Finally, Congress occasionally attempts to shape foreign policy through diplomatic instructions attached to appropriations measures. This occurs especially in connection with Presidential requests for appropriations legislation authorizing American representation at international conferences. In 1924, when Congress provided funds for an American delegation to the Geneva International Opium Conference, it laid down conditions which proved to be unacceptable to other states and obliged the American representatives to withdraw. This situation was exceptional, however, because the chairman of the House Committee on Foreign Affairs and author of the legislative conditions, also headed our delegation and was determined to carry out the limitations prescribed in these instructions. The conditions were ignored by another American deputation at the subsequent 1931 opium conference.

As a result, it has been concluded that such congressional instructions need not be binding upon the Executive and his foreign representatives. As a matter of fact, habitual congressional dictation obviously would hamstring the President in effectively carrying out his responsibility in this regard. Compromise with other states would be impossible and either they would have to accept the American legislative conditions, or the United States delegation would return empty-handed. Furthermore, our conference policies would be determined by the Legislature largely on the basis of internal political issues. Diplomacy, in order to be successful, requires enough flexibility to permit adjustment to the tenor of conference bargaining.¹²

Closely related to this matter is the attempt of Congress to establish general controls over Executive authority to participate in international conferences. In 1913, in a rider to a general deficiency appropriations bill, the President was forbidden to take part in such gatherings without specific prior congressional authorization. But it generally is held that Congress exceeded its authority in this law because it circumscribed the power of the President to negotiate international agreements—the usual objective of the conferences.¹³ Executive practice has varied under the law, but it is clear that if the President can provide American representation without special appropriations legislation, there is little that Congress can do to enforce its 1913 statutory requirement, except through Senate rejection of resulting international treaties. When Congress is approached for appropriations, on the other hand, the very granting of the funds would appear to constitute such specific legislative authorization.

Mr. MORSE. Mr. President, I wish to summarize my legal argument, and then I shall yield to my friend from Illinois [Mr. DOUGLAS]. Briefly, it is this:

I feel that we are dealing here still with an implementation of the North Atlantic Treaty. I feel that we are dealing with the administration of foreign policy which I believe falls within the prerogative of the President of the United States. I feel that we violate the separation-of-power principle when we seek to destroy his discretion in that field.

I believe that the Smith amendment, which seeks to create an independent agency, as a matter of constitutional principle, is wrong. After I yield to the Senator from Illinois on my remarks thus far made, I shall then proceed to set forth my reasons why, as a matter of administration, irrespective of the constitutional question, I think the Smith amendment, instead of accomplishing the results claimed for it by its sponsors, would be productive of wasteful spending, would be causative of jurisdictional strife within the field of foreign policy, would set up competing voices in the field of foreign policy all over Europe, would undermine our embassies, and, in my judgment, would produce one awful mess in the administration of American foreign policy in Europe. I say to my good friend from Illinois and his cosponsors of this amendment that if what they are trying to do to reach some inefficient personnel in the field of foreign policy, I think there are much better ways of doing that than by the amendment they are pressing, which, I think, would be productive of much harm.

Mr. President, I could not enjoy yielding to anyone more than to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, as I understand the very able and eminent Senator from Oregon, he argues that if we set up a separate administration for foreign aid, it will infringe upon the constitutional powers of the President to direct the foreign affairs of the United States. Am I correct?

Mr. MORSE. The Senator is correct.

Mr. DOUGLAS. Would not that same objection have applied to the creation of the Economic Cooperation Administration?

Mr. MORSE. No, because we did not interfere with the discretionary power of the President.

Mr. DOUGLAS. In what way does the Smith amendment interfere with the power of the President in a fashion different from the ECA?

Mr. MORSE. The Smith amendment makes the Administrator the sole and final judge of who shall get what, and in what amounts, save and except the right of the Secretary of Defense and the Secretary of State, if they do not like what the new Cabinet officer does, to appeal to the President. That is certainly not going to make for harmonious family relations in the field of foreign policy. Cannot the Senator realize that?

Mr. DOUGLAS. May I ask who would appoint the Administrator of this new agency?

Mr. MORSE. The President of the United States, the appointee to be confirmed by the Senate. The Senator from Illinois does not mean to imply, does he, that merely because the President appoints someone and he is confirmed by the Senate he will live in lovely and peaceful relationship which his colleagues so far as foreign policy is concerned?

Mr. DOUGLAS. That is something else.

Mr. MORSE. Certainly; and we shall look into it tonight.

Mr. DOUGLAS. Is it not true that since the President has the power of appointment, he can ask for the resignation of the appointee? Is it not also correct to say that the relationship would be precisely the relationship which exists between the President and any Cabinet member?

Mr. MORSE. I will say to my good friend from Illinois that if he is so taken by the fact that the President of the United States will have the power of appointment, why does he not ask the President whether he wants the kind of proposed administration the Senator from Illinois would provide? I believe the Senator from Illinois knows what the answer would be. I believe the Senator from Illinois knows that the President of the United States and those presently charged with the foreign policy of the United States do not want the monstrosity which the Senator from Illinois and his colleagues are proposing, because they know the great harm it would do through jurisdictional disputes, new procedures, and costly administration growing out of the conflicting jurisdictions which would result from it.

I do not mean to apply this comment to my good friend from Illinois, but I do want to apply it to some of my friends on this side of the aisle. I thought we were standing for a reduction in the number of bureaus, agencies, and new organizations. I thought that is what we were going to make a drive for. Now we find them coming along with this kind of suggestion. True, they have some Democrats who are with them, but in this case

¹⁰ Popularly referred to as the Inter-American Defense Pact.

¹¹ For further discussion of this subject, see chap. 11.

¹² See Benjamin H. Williams, *American Diplomacy: Policies and Practice* (1936), pp. 397-398.

¹³ See *Ibid.*, pp. 398-399; and John Mabry Mathews, *The Conduct of American Foreign Relations* (1928), pp. 344-347.

they are almost outdoing the Democrats in the effort to set up a new agency.

I am against the proposal for the reasons I have set forth. I do not agree with the suggestion made by the Senator from Illinois, that merely because the President would appoint the man and the Senate would confirm him it would remove in any degree what I think are the great weaknesses of the plan.

Mr. DOUGLAS. Is not the Senator from Oregon now shifting from the constitutional argument to the argument that it is inexpedient and impracticable.

Mr. MORSE. I do not believe the Senator from Illinois heard me. When I finished my constitutional argument I told the Senator from Illinois that after I had yielded to him I would enlarge upon my objections to his proposal from the administrative standpoint. I then enumerated the points on which I would speak tonight.

Mr. DOUGLAS. Is it not true that when the so-called Marshall plan was first proposed the administration wished to have the conduct of the plan confined to the Department of State, but that Congress decided that it wanted to set up a separate agency? It created a separate agency over the opposition of the State Department and over the opposition of the administration. Prophecies were made at that time that it would result in duplicate administration, that there would be conflicts of interest in personalities and that ultimately it would be administratively impossible.

Is it not a fact that ECA brought in fresh, vigorous men, unhampered by the bureaucratic habits of the Department of State, who on the whole have administered economic cooperation with great ability and great integrity, and that it has been a success?

Why could not the personnel of ECA be largely transferred to this new agency, along with some men from the defense establishment? I believe that is what both the House committee and Senator SMITH thought would happen. In that way we would have a continuation of what has been going on with a great deal of success for the past 3 years except perhaps with less interagency dispute.

I do not believe there has been any constitutional crisis in the country since ECA was established. Why are we suddenly confronted with a new situation, according to the Senator from Oregon, when what we are really doing is merely extending the principle which we have already approved? Is it not true so far as that point is concerned, that by tradition the State Department is probably not the best agency to administer economic help, but that certainly point 4 should be amalgamated with economic aid; and is it not also true that economic aid and military aid should be integrated?

Mr. MORSE. There are many things I could say in reply to my good friend the Senator from Illinois. I will say just three things with regard to the comments he has made. First I should like to say, in regard to the point 4 program, if I understand the amendment—and I have tried to get a copy of it but have

received only a digest—and if I am to assume that it follows the same pattern which the Senator from New Jersey [Mr. SMITH] proposed in committee, it makes an exception to the point 4 program. In that way the point 4 program is not brought into the amendment which has been proposed. If the final draft of the amendment differs in that respect, it certainly differs from the amendment which was brought before the committee.

Mr. DOUGLAS. It is my understanding that point 4 is brought into the amendment.

Mr. MORSE. It may be. The difficulty is that I do not have a copy of the amendment before me. I suggest that the Senator from Illinois check the amendment, because I am inclined to think that it is the same amendment which was before the committee, in which point 4 was excepted. However, be that as it may, I want to say in reply to the first point the Senator from Illinois makes that he paints a very beautiful picture of the administration of ECA. It is one of an almost calm sea. As a matter of fact, it has been a very turbulent sea. Plenty of jurisdictional problems have been encountered in connection with ECA. However, some very magnificent work was done by the head of ECA in bringing about a liaison organization between ECA and the Department of State, whereby, in effect, a much more cooperative relationship in administering ECA was established than was ever contemplated when ECA was passed by Congress. That was done only because the leaders of the State Department and ECA recognized the great danger which might develop under ECA; therefore, they did work out that kind of liaison arrangement.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. The Senator from Illinois can give no guaranty to this body that such is bound to happen under the new organization which has been proposed. What I am pointing out to the Senator from Illinois is that he is making a proposal which I believe to be pregnant with the possibility of jurisdictional trouble. I believe it to be most likely that such would occur.

The second thing I want to point out is that we can adopt the proposal of the Senator from Illinois [Mr. DOUGLAS] and the Senator from New Jersey [Mr. SMITH], and yet not create necessarily a constitutional crisis. However, by the proposal of the Senator from Illinois, we are again nibbling, in my judgment, at the separation of powers doctrine. It is this constant nibbling away and this frequent attempt on the part of the Congress of the United States to encroach upon what I believe to be the constitutional powers of the President of the United States in the field of foreign affairs which ought to be stopped. That is why I object to the Senator's proposal. I object both on constitutional grounds and on the administrative grounds which I have so far developed.

Mr. DOUGLAS. Would the Senator from Oregon say that it would have been better if we had confined the administration of economic aid in European

and other countries to the State Department?

Mr. MORSE. Yes; so far as sound constitutional theory is concerned, I do not believe that we should have set up a separate administration for ECA.

Mr. DOUGLAS. Does the Senator from Oregon believe that the diplomats in the Department of State would have been as competent in directing economic aid in the countries of Europe as the businessmen and the farm and labor representatives who have been brought into the ECA?

Mr. MORSE. One of the great fallacies in the reasoning of the Senator from Illinois in regard to this whole program is his assumption that merely because a program is left to the Department of State to administer the Department of State has no authority to make use of specially skilled individuals to help administer the program in those fields in which special skills are needed. The fact that an expert industrialist is needed to administer an economic program in France, for example, does not mean that the Department of State cannot hire him. It is not necessary to set up a separate agency to hire him.

Mr. DOUGLAS. I do not like to resemble Mr. Dick in David Copperfield, who was always speaking about King Charles' head. Therefore in discussing foreign affairs I do not always want to bring the Foreign Service officers of the State Department into the discussion. Nevertheless, is it not true that the Department of State—particularly in its overseas contingents—is dominated by the Foreign Service officers, whose training, however admirable in other respects, certainly does not contain any element of training in economics, business, or industry, whose background is nonindustrial, and who are not prepared to deal with the economic realities, but who are more or less professional diplomats, without much concrete knowledge of how men make a living or how goods are produced?

Mr. MORSE. Mr. President, I say very good naturedly and most respectfully to my friend, the Senator from Illinois, that I have not shared the views I have heard him express on the floor of the Senate about the "top hat and striped pants" members of our Foreign Service. I respectfully suggest to him that they are much more able men than the Senator from Illinois has yet detected.

Since he is such a good judge of men, I cannot explain the position of the Senator from Illinois except by a lack of observation on his part, because I do not share his view of what would happen to the foreign policy of the United States if we entrusted to the State Department the administration of economic aid, for example, in Europe. I believe that those men are of sufficient mental caliber to have sense enough to make use of skilled experts to help them in the administration when they need to do so.

I think it is very unsound to lay down colorful, blanket criticisms of the great Foreign Service of our country. It seems to me that is resulting in under-

mining the confidence of the American people in the Foreign Service personnel of our country. I respectfully say to my good friend, the Senator from Illinois, that I do not believe that the facts bear him out in his accusation; and I do not think he, any more than anyone else, should resort to trial by accusation. He should give us a great deal more evidence—much more than he has given us in any of his speeches thus far—that our Foreign Service is composed of the incompetents that he seeks to imply by what I respectfully say have been very unfair criticisms on his part of the Foreign Service of the United States.

Mr. DOUGLAS. Mr. President, I object to that comment by the Senator from Oregon.

Mr. MORSE. Oh, Mr. President, since when has my friend, the Senator from Illinois, become so thin-skinned?

Mr. DOUGLAS. I am not thin-skinned, but I object to having the Senator from Oregon put into my mouth words I did not utter, or put into my mind sentiments which I do not possess.

I have said that in the past Foreign Service used to be somewhat restricted to a social class whose training has been primarily in the pursuits of leisure rather than in the pursuits of labor; and I think that statement is borne out statistically. I once made an analysis of the upper ranks of the Foreign Service and I found their educational and social background to be what I have stated.

I think it will be found that of the approximately 1,300 members of the Foreign Service, 423, or, roughly, one-third, are graduates of Harvard, Yale, or Princeton. It happens that I once studied for a year at Harvard, so perhaps I should not be too caustic in my criticism of graduates of those universities. They are very fine universities, and their graduates are very fine persons; but I do not think they possess one-third of the intelligence of the United States so as to warrant staffing one-third of the Foreign Service with them.

I believe it would have been much better for the State Department to have recruited its personnel more generously from farmers, mechanics, and plain people who would have more accurately represented the people of the United States abroad, instead of restricting the Foreign Service personnel to a very narrow social class, however excellent those men may be as individuals.

I am not attacking them as individuals, and I hope the Senator from Oregon will not imply that I am.

Mr. MORSE. I am very sorry, I say to my good friend, the Senator from Illinois, that my interpretation of his remarks is not acceptable to him. However, I simply must take his remarks for what they are, and the impression I have stated is the impression he left with me as the result of his participation in the debate last week, as well as on other occasions. I simply do not join with him in his criticism of or his evaluation of the Foreign Service personnel of our country.

Mr. DOUGLAS. Mr. President, I simply say that by background those men are not as broadly representative of the United States as they should be, in my judgment, for the most effective conduct of our diplomatic affairs, and certainly they are not well qualified to conduct a program of \$7,500,000,000 for economic and military aid. For that purpose we need soldiers, businessmen, labor leaders, and the like—good, earthy people.

That is why I think the continuation of ECA under a new name, retaining many of the businessmen and labor and farm representatives who already have been brought in, and bringing in others, would be much better than confining the administration of this tremendous program to men who by training, background, and thought are somewhat removed from the economic realities of life.

They may be trained in diplomacy. Undoubtedly they are trained in protocol. Undoubtedly they know how to hold a teacup and how to wear the proper clothes on the proper occasion; they grace garden parties, and are able to carry out thin-spun negotiations. But they do not know the business end of a plow; they do not know the processes of mining; they do not know how steel is smelted; they do not know how to operate a railroad or how to build a dam. They do not know what a machine gun looks like or what a piece of artillery or a tank or any other of the implements of modern warfare which we will be sending over in the billions of dollars worth look like.

I ask the Senator please not to say that I am attacking the State Department when I question the competence of those men in these matters. I do not want to reflect on their general competence, since I am sure that as individuals they are very able. I am referring to their competence in representing the people of the United States in the handling of large aid programs.

Sometimes when someone says that the Government departments are spending too much money, it is immediately contended that it is an attack upon the character of those who compose those departments. In the past few days I have received some very bitter letters from Foreign Service officers and from the wives of Foreign Service officers, who say that I am attacking the character of those men. I am not attacking their character; I am attacking their competence in representing and reflecting accurately the broad cross section of the American people in administering large programs of aid extended by the people of this country to the people of other countries, to help better their lot.

Mr. MORSE. Mr. President, the comment just made by the Senator from Illinois reminds me of a story of a man who went into a barroom and walked up to another man and hit him in the jaw, and then said, "Don't you tell anybody that I hit you, because I didn't." [Laughter.]

The Senator from Illinois has just finished his attack, so far as the Foreign

Service personnel of our country is concerned, and then he says, "Do not say that I am attacking the Foreign Service." Let the RECORD speak for itself as to what the Senator from Illinois did.

I simply say that the attack he made just now on our Foreign Service saves me a little time, the time I would be required to take to examine the RECORD of the remarks he made last week, for what he has just said proves my observation that he has sought to give the impression that we have a Foreign Service personnel who are incompetents.

I deny the accusation. I think we have a Foreign Service personnel, by and large, of outstanding competency, of which the people of the United States have a right to be proud.

I think that in the observations the Senator from Illinois has just made he also fails to take into account that by leaving with the President of the United States full discretionary power to administer the military and economic aid, it is to be taken for granted that mere common sense would cause the President and his subordinates to bring into the work of administering the program men with special skills in the instances in which men of special skills are needed.

The President does not need to have the Senator from Illinois and his colleagues write out for him a ticket as to just the kind of personnel he must use and just the kind of qualifications they must have, and how many of them must be taken from "X" occupation and how many of them must be taken from "Y" occupation.

I say to the Senator from Illinois that any President of the United States is perfectly able to do that for himself. He does not need the gratuitous help of some of the Members of the Senate who endorsed the Smith amendments to do that job for him.

That is where the Senator from Illinois crosses the line of legislative function into the field of executive function, and that is where he becomes a trespasser on property which I submit he has no jurisdiction to tread upon. He ought to get back to that section of the Constitution relative to the legislative branch of the Government, and not seek to set himself up as one who is also going to tell the President of the United States how he ought to perform the administrative functions which are involved in the foreign policy, and which, under the Constitution, are for the President to direct, not the well-intentioned Senator from Illinois.

Now, will the Senator permit me to proceed with the rest of my speech, or does he desire to interrupt me? I should be very glad to have him interrupt me. I wanted to ask the Senator this question: Did I misunderstand him correctly when I thought I heard him say that ECA was set up as a separate agency over the protest of the State Department?

Mr. DOUGLAS. I was not then in the Senate, but is not that true?

Mr. MORSE. It is my understanding that just the opposite is true, that Secretary of State Marshall insisted upon the establishment of a separate agency

outside the State Department, and that there was never any protest from the State Department.

Mr. DOUGLAS. This is a matter of fact, one that should be ascertainable.

Mr. MORSE. I am stating it as a matter of fact, and the Senator from Illinois and I will check it later to see whether I am correct; but I think the Senator will find that the Secretary of State was a willing and a cooperative party to the seduction.

Mr. DOUGLAS. I think perhaps after the Department of State found that they could not get the program through the Congress, if they were to administer it, then perhaps they accepted reluctantly an outside agency, rather than lose the program. But I cannot believe that they wanted to have it administered by an outside agency. That would be contrary not only to all human nature but to the past record of the Department of State.

Mr. MORSE. Does the Senator from Illinois know that to be a fact, or is the Senator from Illinois expressing a plausible theory which might sustain his own contention? Does he know that to be a fact?

Mr. DOUGLAS. I was busy running for office in 1948, and I did not read the CONGRESSIONAL RECORD every day; but certainly that was my impression.

Mr. MORSE. Suppose the Senator from Illinois check into that.

Mr. DOUGLAS. I shall be delighted to do so.

Mr. MORSE. Let him correct me tomorrow or the next day.

Mr. DOUGLAS. I shall be delighted to do so.

Mr. MORSE. That is, if my observation is erroneous. I do not think the Senator will find it erroneous, but I believe he will find that the State Department did not protest. I may add that, so far as sound constitutional theory is concerned, I think they should have protested.

Oh, I know that many times it would be convenient and expeditious for us to vary from our sound constitutional system, but I do not think it is ever justified. I think it is necessary to mark out a course in the case of governmental policy, of never varying from the basic constitutional concepts. I am not going to vary from them, no matter how convenient it may be. I would not even vary from them in this instance; I may say to my good friend from Illinois, if he could show me that by his proposal he could save money. But before I conclude, I am going to try to show the Senator from Illinois that by his proposal money would be wasted. Yet even if he could show me that his amendment would save money, I still would not vary from what I think is the constitutional prerogative of the presidency of the United States—I am not talking about the man—and I would not vary from it, if the Senator could show me that the amendment might even bring about greater efficiency, because I do not think either economy or efficiency or politics justifies trespassing upon what I consider to be the basic constitutional principle of the separation of powers.

Mr. DOUGLAS. Then I take it the Senator from Oregon believes the sole function of Congress is to appropriate money, and that the President and the Department of State are to have complete and exclusive control over matters of policy.

Mr. MORSE. No; I think the Senator is a better logician than that. I think the Senator simply jumped to that absurd extreme in order to bolster what I think is the fallacious premise in which he started. No; that it not it. I am simply saying, one can take the Constitution and apply it to specific issues, without ever having very much difficulty in knowing whether he is applying it properly. I do not have much trouble with this problem. My theory is that the authors of the amendment have not really stopped to give much thought to whether it encroaches upon the separation-of-powers doctrine; and that is why I sought tonight to give the Senator from Illinois the benefit of these judicial decisions to which I referred and which I think will put him in my corner when he gets through with the study of them, and will cause the Senator to think a good deal differently about the amendment in which he has joined. Anything more?

Mr. DOUGLAS. No.

Mr. MORSE. Mr. President, I now move to the second main part of my speech. The purpose of this speech is to provide a brief but somewhat comprehensive background to the pending foreign assistance legislative proposal. To the extent that it does this, it may be of some value, since little consideration seems to have been given this year to the pervading policy problems to which such background is especially pertinent.

Before I go into that, Mr. President, I want to say that one of the things which have disturbed me very much, as I pointed out on August 23, in the whole matter of foreign military and economic aid, is the failure of greater recognition on the floor of the Senate of the fact that it is impossible to separate economic and military aid from the total defense of the United States. I consider it a great mistake to be talking in terms of military aid as though it were something separate and distinct from economic aid, if what we are talking about is the over-all problem of defense. In fact, I am inclined to think that granting economic aid to our allies in Europe is much more important now than granting specific items in terms of equipment of war. In my view, the building up of the productive power of England, of France, and of Holland and the other Lowland Countries, and of Italy, and our other allies, is the way to build up America's defense in Europe, rather than by supplying them with trucks and tanks and antiaircraft guns and machine guns and all the rest, important as they are—and I am for supplying them. Senators know we have them, and I have a hunch or a feeling that it would not be very good policy to suggest a very drastic cut in the items of war to be sent to Europe. It might be interpreted as undermining General Eisenhower.

But, Mr. President, there are those who have the knives or the axes ready to hack away at the very roots of the economic strength of Europe, the development of which, in the long run, I think, will represent the greatest security to America, when compared with the immediate supplying of manufactured equipment made in the United States and shipped to Europe.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Is the Senator from Oregon aware of the fact that he has just made a very eloquent argument for the Smith amendment? The Smith amendment permits the transfer, for economic purposes, of 10 percent of the amount tentatively allocated for military purposes, and therefore permits a much greater degree of flexibility, for which the Senator from Oregon has been contending. I now welcome the Senator from Oregon as a supporter of the Smith amendment; and if he will study it in greater detail, I am sure he will vote for it on the morrow.

Mr. MORSE. I never knew before that my good friend from Illinois was also a juggler or a sleight-of-hand performer. I never thought of him in that capacity at all. What makes my friend from Illinois feel that it is necessary to infringe on the discretionary power of the President to make it possible to transfer funds or items?

All that the Senator from Illinois is saying is that he feels that the Congress of the United States ought to direct the President to do such and such if he finds such and such to be true. That is where I take the Senator right back to the fact that he is, in my judgment, interfering with the separation-of-powers doctrine. The argument I made is no such argument as that which the Senator from Illinois attributes to me at all. What I am saying is that we should on the floor of the Senate not be cutting into the heart of economic aid. That is being done—and I do not refer to the Senator from Illinois when I say this—and it is receiving a good deal of support in this country, because some persons think the program is politically vulnerable on that score, but it would not be so politically vulnerable if it were proposed to cut drastically into military aid.

What I am saying is that I do not think we can draw the line of distinction between military aid and economic aid that some of my colleagues are prone to draw. I think the building up of factories in France, England, and the other western countries is what we should be doing now if we are going to think of the long-term security of America in Europe. The proposal is to pull the rug out from under that proposition, because there has been very much confusion, and very unfortunate tactics have been used in recent months. There is so much confusion among the people of the country that politicians who have their eyes on elections rather than on the security of the country think they can get by with it. They cannot get by with it by my vote or by my silence either.

I say it is not only a mistake to draw this artificial line of distinction between economic and military aid, but I think we should look to the administration of these policies to the end of seeing that we do not repeat the same great mistake we made in China in 1945 and 1946, when we did not follow a course of action that caused us to see to it that the Chinese people got a larger share of the benefits of the economic aid which we poured by the millions of dollars into China and which we now know went, in large amount, to the benefit of a few persons in China, but the masses obtained very little benefit.

The Communists, with their vicious propaganda, capitalized upon our mistake in this field. That is not the only reason, but it is one of the reasons, why the Communists were able to take over large segments of China as the Nationalist Government collapsed on its retreat to the south.

Take a look at France. We should not blind ourselves to the fact that in round numbers the Communists still poll, according to the latest figures I have seen, pretty close to 25 percent of the vote in France. We cannot laugh that off, and we do not dare, as Americans, to ignore it. That is a tremendous Communist bloc in France.

What is the Communist propaganda line in France? To what extent have the French workers' wages been raised in the factories of France whose owners have been the recipients of ECA aid? To what extent have the French workers benefited from any of these appropriations? To what extent have the cartels of France, rather than the people of France, benefited from this foreign-aid program?

We know what they do. They take a tiny bit of a half-truth and balloon it up into a big lie. Unfortunately, I am advised by reliable persons recently returned from France that they are making headway with the big-lie technique in France because a better job needs to be done in seeing to it that the benefits of the program sift down and percolate through and permeate the population of France.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Does the Senator from Oregon maintain that there would have been greater solicitude for the welfare of the people of France if the administration of this program had been in the hands of diplomats of the State Department?

Mr. MORSE. I did not make any such argument as that. The trouble with my good friend from Illinois is that when one makes an argument on the floor of the Senate by way of trying to point out some of the things which must be done better than they have been done in the past, the Senator from Illinois wants to take that argument out of its context and jump to the conclusion that the arguer is trying to point out that it would have been different if it had been done by someone else. I did not imply that in my argument.

Mr. DOUGLAS. I thought the Senator was implying that it would have been

much better to have ECA administered by the State Department.

Mr. MORSE. It is only because of the lateness of the hour and the fact that the Senator from Illinois must be getting very tired that he would make that slip.

Mr. DOUGLAS. Then there is no implication on the part of the Senator from Oregon that it would have been better if the administration had been under the State Department?

Mr. MORSE. Not a particle. That does not change the fact of whether it would be better or worse—

Mr. DOUGLAS. When the Senator from Oregon is asked a practical question, he retreats to the Constitution, and when we talk about the Constitution, he retreats to practical argument.

Mr. MORSE. The Constitution of the United States is the most practical document the Senator from Illinois will ever read. It is so practical that I recommend it to the Senator from Illinois, and I recommend that he follow it literally and that he also help us to bring into application the great decisions of the United States Supreme Court which have interpreted the Constitution and made an irrevocable body of American laws, particularly the decisions which I cited in connection with that very practical document. I recommend it to the Senator from Illinois.

Mr. DOUGLAS. I think the Senator from Illinois is somewhat acquainted with the document to which the Senator refers.

Mr. MORSE. I am glad to know that. I did not think so when I read the Smith amendment and saw the name of the Senator from Illinois on it.

Mr. President, I think we should recognize that in this hour of our country's history we are in the most dangerous international situation in which we have probably ever been. I do not like to be a pessimist, but there is little in the field of international relations tonight that stirs up very much optimism. The Korean truce has bogged down. There is every indication of an oncoming obstructive tactic on the part of Russia in San Francisco.

We have a fight on the floor of the Senate for a cut in the foreign economic aid, but I say, Mr. President, we had better resolve the gamble on the other side. I think our freedom is so precious that we, in the Congress of the United States, ought to be willing to tell our constituents that we think "safety first" dictates that if we are going to err we had better err in the direction of overspending for defense for the present rather than underspending.

Mr. President, with the Russian propaganda line in Europe being what it is, with the fact that our military experts tell us that we are not in control of the air in the world today, that we have not developed the air defenses of the United States to the point where if we should get into a war with Russia next week we could command the air, I think the time has come for the Congress of the United States to move politics out of the Capitol and proceed to buckle down to the job of building up the defenses of America to the point necessary, so that we can demonstrate to Stalin that if he wants to

make his move he will make the move with America in control of the air.

Mr. HUMPHREY. Mr. President, will the Senator yield at that point?

Mr. MORSE. I yield.

Mr. HUMPHREY. I am sure the Senator is familiar with the most recent report of the Secretary of Defense, in which he placed the armed strength of our country at three and one-half million men, and, I believe, the size of the fleet at 1,100 activated ships, and that the contemplated Air Force was 95 groups. He said that force was a basic minimum. If I recall correctly, there was a statement in that report that this minimum security force was taken as even a calculated risk as to what the future might offer. In other words, when we talk about the tremendous amount of money which is being expended, I think we have to drive the point home, as the Senator from Oregon has so well said, that this is the basic minimum which a nation with our responsibilities should have, or can have, and that we ought to be actually looking for even greater strength and greater mobilization, and evidence greater determination and willingness to sacrifice than we have so far. That has been my opinion, and I gather that the Senator from Oregon shares that view, for he has pointed it up again and again in his remarks on the floor.

Mr. MORSE. I will say to my good friend from Minnesota that I completely agree with him. In fact, I may say to him, speaking now as a member of the Armed Services Committee, that I am satisfied that if the American people knew what the members of the Armed Services Committee of the Senate know about the present state of America's defenses there would be on overwhelming demand on the part of the American people to increase the amounts in this bill, not decrease them. I have many times in the past couple of years pleaded on the floor of the Senate and elsewhere in this country for the American people to be given more information by the administration in regard to the foreign policy problems that confront the Nation, because I believe too many things have been kept from them on the false assumption that Russia does not know about them. The sad fact is that the leaders of Russia know more about the military defenses of America than the people of America know about them. I think we can take judicial notice of that. If the American people knew what I saw here is, in my judgment, a fact, that we cannot control the air today in an all-out war with Russia, they would say to us, "Then get busy and see to it that the funds are appropriated so we may have an Air Force powerful enough to take over the air."

I am not free to disclose the source of my information tonight, but I say by way of an assertion which I know cannot be successfully contradicted, that I know from high, reliable authority in this Government that we do not now have control of the air. Take the Korean situation. When there was talk about expanding the war to the mainland of China, at a time when, if we had done it, the Russian air force would have lifted

itself off the ground in Manchuria, we would not have been able to get any boys out of Korea. Yet there are demagogues in this country who have been trying to poison the minds of the American people into thinking that a proposal to adopt the MacArthur program in Asia would be in defense of the boys in Korea. It would have been mass murder; that is what it would have been. If the Russian air force had gone off the ground in Manchuria it would have resulted in mass murder of the boys in Korea.

Mr. DOUGLAS and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Oregon yield, and if so, to whom?

Mr. MORSE. I do not yield just yet, Mr. President.

The junior Senator from Oregon, in spite of all of the abuse he has taken for his stand on the MacArthur case, is proud of the stand he took, and he will let history judge whether he was right or wrong, because I happen to be one who believes, as the late Admiral Sherman said when he was on the stand during the MacArthur hearings, that the carrying out of MacArthur's proposals, such as his proposal for a unilateral blockade on Port Arthur, would have constituted an act of war on the part of the United States against Russia. Yet some were trying to tell us that even if we did that, it would not have brought Russia into the war. Such a claim was, in my judgment, not only preposterous, but ridiculous and absurd. The idea that no matter what we do unilaterally, as proposed by MacArthur, would not bring Russia into the war, is perfectly absurd. We just did not happen to be in a position in Korea to carry out such a program.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I wish to finish my statement before I yield.

So I agree with the Senator from Minnesota that we ought to put ourselves into a position so if it becomes necessary to expand that war—and there are strong indications that it will be necessary—we can successfully conclude it. Believe me, so far as I am concerned our flag should not be forced to retreat by any appeasement settlement in Korea. We must be in a position there, if the time comes when we have to expand the war, that we can expand it to an early, successful conclusion, without the tremendous casualties we would have suffered at the time MacArthur proposed to expand it.

These things are all linked together. The Senator from Minnesota in his comment, I think, has pointed out the importance of all of us in this country standing together for an all-out military and economic mobilization program, so we can make ourselves so strong, quickly enough, that Stalin will think better than try to continue the aggressive course of action which is the foreign policy of Russia now. That is the position of the junior Senator from Oregon on the question of defense.

As a member of the Armed Services Committee, I am heartsick to think that

in the consideration of this bill we are going to put American dollars ahead of what I think is an expenditure necessary for the adequate defense of our country.

Mr. DOUGLAS. Mr. President, will the Senator now yield?

Mr. MORSE. I yield to the Senator from Illinois.

Mr. DOUGLAS. I should like to read, if I may, from the testimony of Secretary of State Marshall before the Senate Committee on Foreign Relations on January 8, 1948, to clear up the question as to whether or not the Department of State wanted an independent ECA. I should like to read first from page 9 of the hearings in which Secretary of State Marshall stated as follows, as appears at about the middle of the page:

I think that in our effort to restore the stability of the governments of Western Europe it would be unfortunate to create an entirely new agency of foreign policy for this Government. There cannot be two Secretaries of State.

Again, on page 19, the Senator from Texas [Mr. CONNALLY] asked Secretary Marshall this question:

Senator CONNALLY. When this Administrator is appointed of course he will be confirmed, before he can have it, by the Senate. If a matter of foreign policy should confront him, if the matter refers to our foreign relations, do you regard that your decision would determine the situation, or would the Administrator, after hearing you, go on and act on it on his own?

In other words, the Department of State was to control the decisions of the ECA.

Then the question arose as to representation of the ECA in foreign countries. Secretary Marshall made the following statement:

Some might feel if you take a very efficient American businessman who is accustomed to getting action quickly, who is accustomed to acting directly, and you involve him in the meshes of diplomacy—we will call it that—you are limiting very much the possibilities of efficient operation.

I think it can be arranged otherwise. But at the same time I do not think you can have two separate agencies of the United States Government in a country dealing directly with that government. When it comes to dealing directly with the business interests, that is one thing, and the coordination will come from back here. * * * But when you come to dealing directly with those governments you cannot set up a dual arrangement there without getting into a state of hopeless confusion.

So it is apparent that the Department of State wanted to control the new administration not only in Washington, but also in its representation in foreign countries. Then, in response to a question from the chairman, who was Senator Vandenberg, the implication was very clear that it was the Department of State which would do the hiring of personnel attached to the new agency, and that the officers of the Foreign Service were to be on top, so to speak, of the new group.

I know that the Senator from Oregon is a meticulously accurate man, and has a great passion for the truth, but I think the passages which I have read indicate very clearly that it was the original in-

tent of the Department of State to have ECA subordinated to it, even though ECA would be organizationally separate. The Department of State was to control its policies at home and direct its activities abroad. Its personnel was to be largely recruited from the Foreign Service. It was to be an appendage of the State Department.

That decision was reversed. I think ECA, by its activities, has justified itself, and by its record has indicated that it would be preferable to continue on the model which it has established, rather than to revert to the early policy advocated by the Department of State, that it should be in control.

So while I may have erred in stating earlier that ECA was set up as an organizationally separate agency over the opposition of the State Department, I believe the record of the 1948 hearings supports my earlier contention that there was fear of duplicate authorities in the field of foreign affairs.

Perhaps it would have been more accurate to say that the establishment of ECA not only as a separate but also as an independent agency—and it is the element of independence which I wish to stress now, and perhaps should have stressed more in my earlier statement—was opposed by the State Department.

Mr. MORSE. I do not know whether I am to conclude from the Senator's comments that he thinks he has proved that some former statement which the Senator from Oregon made was erroneous or not. Let me review the colloquy for the Senator from Illinois.

A few minutes ago I asked the Senator from Illinois if I was correct in my hearing, that he had said, in effect, that ECA was set up over the protest of the Department of State.

Mr. DOUGLAS. I perhaps should have said that it was the original intention of the Department of State that it should be a separate but not an independent agency. It was originally intended that it should be under the control of the Department of State.

Mr. MORSE. Will the Senator from Illinois allow me to review the colloquy as I understand it?

Mr. DOUGLAS. Certainly.

Mr. MORSE. I think the RECORD will show tomorrow that the colloquy was that I asked the Senator from Illinois whether or not I understood him correctly to say that he argued that the ECA was set up over the protest of the State Department.

Mr. DOUGLAS. As a separate and independent agency.

Mr. MORSE. We will let the RECORD speak for itself. I understood the Senator to reply to me that that had been his argument—that it was set up over the protest of the Department of State.

Mr. DOUGLAS. Its independence was established over the protest of the Department of State.

Mr. MORSE. I replied that it was my understanding that the Secretary of State, George C. Marshall, insisted upon the establishment of a separate agency, outside the State Department.

I repeat it, and I say now that the State Department went along with the

Secretary of State. I refer the Senator to page 14 of the committee report of February 2, 1948, which reads as follows:

The committee completely agreed with the Secretary of State that it would be unwise to place the agency in the Department of State. Such a move would impose upon the Secretary a responsibility for duties of an operational nature not within the normal range of the Department's activities, and might, as a result, impair the execution of its policy functions. Under the circumstances, a new and separate agency seemed to be a wise alternative.

In other words, the committee itself adopted the recommendation of the Secretary of State. That is what I was trying to point out to the Senator from Illinois. I understood him to say that it was done over the protest of the Department of State. That, I told him, I thought was not true.

Mr. DOUGLAS. The independence of the ECA was established over the protests of the Department of State.

Mr. MORSE. I close the argument so far as I am concerned simply by saying that the Secretary of State at the time recommended such an agency, and the State Department went along with the idea. If what the Senator from Illinois wishes to argue is that there was no time during the give-and-take discussion as to how it should be set up when there were not representations from various sources, including probably some from some officials in the Department of State, I would not question that statement at all. But I assert again that there was no protest from the Department of State, because ECA was set up with the recommendation of the Secretary of State himself. I repeat that, so far as the constitutional system is concerned, it was an unfortunate interference with the discretionary powers of the President.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. Let me say first that I think I ought also to point out at this point that there are some definite differences between the situation presented by the European recovery program, ECA, and the mutual-security program of the pending bill.

I have noticed in this argument, not only on the floor of the Senate here tonight, but in committee and elsewhere, that the proponents of the Smith program slide and shift into a discussion which seeks to give the hearer the impression that the ECA program is in effect on all fours with the present program of mutual security. That is not so. I wish to point out some of the differences.

A separate agency responsible to the President was created to conduct the European recovery program. Because of that fact it does not follow that identical principles can be applied to the entire mutual security program. The objectives of ERP and the methods to attain them were simple by comparison with the complex nature of the military economic, and technical assistance programs now under consideration. The opportunity for jurisdictional strife, I think, would be multiplied many times under the mutual security program over what the dangers were under ECA—and

they were plenty under ECA, and made it necessary even then, as I said earlier tonight, to work out a liaison relationship with the State Department Foreign Service, the State Department embassies in foreign fields, and the ECA officials.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. In a moment.

As I stated, the objectives of ERP and the methods to attain them were simple by comparison with the complex nature of the military, economic, and technical assistance programs now under consideration. Under ERP there were reasonably well defined objectives for which policy guidance for an independent operating agency could to a great extent be laid down in advance, and operations did not require, as the present program will, constant adaptation and reconsideration because of foreign policy considerations that cannot be dissociated from the daily conduct of foreign affairs.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I should like to finish this thought first. I will get to the Senator, and I shall try to answer him.

The mutual security program in many areas of the world will deal with such matters as the conversion of economies to military production, the mobilization of manpower for war production military needs, the utilization of common resources, the straining of budgets to meet heavy military expenditures, and similar items. All of these matters are so basic to the lives of these other countries and their governments that any important actions on the part of the United States which touch these matters gravely affect United States relations with these countries. Thus the problem here concerns not only economic considerations, which was the primary concern of ECA, but also a whole range of military and political factors which require the most delicate day-to-day negotiations with the governments concerned.

In fact, I respectfully submit that the sponsors of the Smith amendment have not given due weight to the fact that they are dealing with a program of administration which is much more complex than the administration of ECA, and with an administrative problem which is filled with a great many international political problems, which I believe make it of the utmost importance that the administration remain within the Department of State and its Foreign Service.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. In a moment I shall be happy to yield.

It should be clear from experience in dealing with problems of this kind at home that they are ones for which policies cannot be laid down for a year or two in advance. The situation is no different in other lands, and where United States aid programs touch, as they must constantly do, upon problems of this character, they go to the very roots of our political relationships abroad. It is difficult to see how responsibility for these relationships can be divorced from the

Department of State or how that responsibility can be properly discharged unless the President—through Secretary of State—has the authority to assure that United States aid programs, as well as our other activities abroad, are consistent with, and further, United States objectives in these relationships. The conduct of foreign policy cannot be compartmentalized even though it is possible to delegate, under proper guidance and coordination, some of the operating tasks which are the instruments of that policy.

I digress for a moment to say that in regard to the whole problem of international cartels and monopolies, which I believe are bound to be troublesome spots in the administration of the program, it is of utmost importance that the administration be conducted by the officials of our Government who under the Constitution clearly are the ones who throughout our history have had the responsibility for administering foreign policy.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I think that the assumption that it can be done by some officer of new Cabinet rank, with a staff independent of the State Department staff, is bound to get us into some very serious complications in the field of international politics. Who would be the trouble shooters when such problems are created? Does it mean that we would set up an independent agency, headed by a man of Cabinet rank, who would be permitted to go along in a course of action which would create an international political problem, and then say to the State Department, "Now I got you into it. See if you can get out of it." It is perfectly absurd.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. In a moment I shall be happy to yield. It is only common sense that the primary responsibility ought to be that of the Secretary of State, and that he should be permitted to delegate to subordinates the economic administrative phases of this problem. But let us recognize that overlying and underlying the whole thing is this basic problem which falls to the State Department, namely, the one of international politics.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MORSE. In a moment. I wish to finish this thought. Mr. President, it is a great mistake for us to follow the recommendation—although I respect him very highly—of my good friend the Senator from Illinois [Mr. DOUGLAS], who in this instance is proposing a very unsound course so far as efficient administration of the foreign policy of our country is concerned.

It is of the utmost importance that we head off the amendment of the Senator from Illinois and its cosponsors, for the very reasons I have just brought out, the fundamental one being that it is impossible to separate the problem from the problems of international politics of the State Department, which the Senator from Illinois would have to admit—at least I would be surprised if he did not—are problems which ought to be handled

by the Department of State. Now I yield to my friend, the Senator from Illinois.

Mr. DOUGLAS. I know the Senator from Oregon wants accuracy in these matters. I should like to quote from the initial bill, which was prepared by the Department of State and submitted to Congress under date of December 19, 1947. In section 4 (a) the concluding sentence on page 4 of this pamphlet reads:

All those functions of the Administrator which affect the conduct of the foreign policy of the United States shall be performed subject to the direction and control of the Secretary of State.

It indicates that it was the original purpose of the Department of State to have ECA completely under its thumb. In the final draft of the bill the clause was omitted, after Congress refused to accept it, because it did not wish to have the direction of ECA completely in the hands of the State Department.

That is not all. In section 6 (a) there was a provision concerning the personnel of ECA, which was to be set up according to the draft of the State Department. It declared:

The Secretary of State may (1) appoint or assign persons to any class in the Foreign Service reserve for the duration of operations under this act * * * and (2) by regulations prescribed by him, provide for the appointment, for the duration of operation of this act, of Foreign Service staff officers and employees.

In other words, they were going to utilize the Foreign Service and the Foreign Service reserve, but there is no mention about bringing in businessmen and labor men from the outside to conduct the actual operation. It was intended to be a State Department show. It was only after Congress refused to accept it that the State Department changed its tune.

I submit that ECA as a whole has had a successful career, and in large part it has had a successful career because it broke away from the shackles which the State Department would have imposed upon it originally, and which the Senator from Oregon is now saying should be applied in the conduct of military and economic aid under the plan now proposed.

The hour is late, and I do not wish to prolong the subject. However, I do not see how the Senator from Oregon can refute the facts. I offer the pamphlet to him, from which he can check the accuracy of the statements I have made.

Mr. MORSE. I thank the Senator. However, he need not worry about the lateness of the hour. Would the Senator from Illinois tell me just what he has proved?

Mr. DOUGLAS. I have proved that the State Department originally wanted to control ECA and to control its policies and its personnel.

Mr. MORSE. The Senator from Illinois has brought out that in the original draft—

Mr. DOUGLAS. Which was the proposal of the Department of State.

Mr. MORSE. Will the Senator from Illinois permit me to finish my sentence?

Mr. DOUGLAS. Certainly. Even so,

the Senator from Oregon cannot controvert my statement.

Mr. MORSE. The Senator may be surprised. I ask him to wait. All that the Senator from Illinois has brought out is that in the original proposal coming from the State Department—

Mr. DOUGLAS. That is all I said, that the State Department originally wanted to control ECA.

Mr. MORSE. What is the Senator from Illinois talking about now? Is he talking about his original statement?

Mr. DOUGLAS. No. When ECA was originally set up it was intended by the State Department to be an appendage of the State Department. It was only after popular and parliamentary indignation prevented such an occurrence that ECA was set up as it is now known.

Mr. MORSE. Let us talk about the Senator's present statement, and then come back to his original statement, on which, the RECORD will show, the Senator from Illinois agreed with me when I quoted the statement that ECA was set up over the objections of the State Department. It was originally set up on the recommendation of George Marshall. However, let us consider the last alleged bit of proof of something or other.

Mr. DOUGLAS. It is intended to be an alias for the State Department.

Mr. MORSE. I am trying to find out what it is supposed to prove. The Senator from Illinois now comes forward with a document which contains a paragraph to the effect that in the original draft of the foreign-aid program, which came to be known as ECA, as submitted by the State Department, the administration was to be placed in the State Department. So what?

Mr. DOUGLAS. That is exactly what I said. It was in the original draft.

Mr. MORSE. Does the Senator wish me to protest to the State Department? All it proves is that in the original draft the State Department had one idea. When, subsequently, the Secretary of State came before the committee and presented the official position of the State Department, what did he propose?

Mr. DOUGLAS. He proposed that the ECA should be controlled by the State Department.

Mr. MORSE. That is what the Senator from Oregon has been trying to tell the Senator from Illinois for some time. He understood the Senator from Illinois originally to say that ECA was set up over the protest of the State Department, and I corrected him by pointing out, which I now assert as a fact, on the basis of subsequent evidence put into this RECORD, that the Secretary of State himself recommended that it be so set up.

So again I ask the Senator from Illinois what he is going to say about that.

Mr. DOUGLAS. I simply say that the Senator from Oregon with his characteristic legal casuistry—

Mr. MORSE. The Senator from Illinois usually says "legal analysis."

Mr. DOUGLAS. I say legal casuistry.

Mr. MORSE. That is a new one, but I think it is about the same.

The fact is that in the RECORD tonight the Senator from Illinois and I have

established that the ECA in its original form was set up on the recommendation of the Secretary of State.

Mr. DOUGLAS. I say that they—

Mr. MORSE. I want the Senator from Illinois to answer "yes" or "no"; I want him to say that the statement I have made is either right or wrong. The statement to which I have just referred is the only difference that has resulted between our presentations.

Mr. DOUGLAS. The Senator from Oregon is resorting to the tactics of a trial lawyer.

Mr. MORSE. I think I should put the Senator from Illinois on trial on the question of whether I made a statement which was factual. I say that from his own lips the Senator from Illinois has proved that my statement was factual.

I do not deny at any time that I said it. I said that I had no doubt that some persons in the State Department had some other ideas.

Mr. DOUGLAS. The document I have here is an official document of the State Department, printed as a committee print of the Senate Foreign Relations Committee.

Mr. MORSE. But it is not the final statement of the Department.

Mr. DOUGLAS. Oh, no; the State Department finally backed down.

Mr. MORSE. I am still waiting for the Senator to produce a protest by the Secretary of State in regard to setting up the ECA as it was set up.

The point is, I say to the Senator from Illinois, that the State Department did not protest it. The Senator from Illinois simply has before him a bill which is a little different from the final bill, and the Senator from Illinois wishes to read into it a protest by the State Department. Mr. President, the State Department simply changed their mind; that is all. That is done a great deal in the State Department. [Laughter.]

Mr. DOUGLAS. They change their mind, but they never admit that they change it.

Mr. MORSE. Oh, yes; they do.

Mr. DOUGLAS. I am delighted to hear that they changed their mind, and I hope the Senator from Oregon will change his mind, and that the new program will be administered by a different agency, as the ECA program was, instead of having three different bodies, each administering a different portion, and then having conferences and conferences and committees and committees to determine the precise part of the program to be administered by each in each of the various countries.

Mr. MORSE. The Senator from Illinois will never live long enough to see me change my mind on the important point of strictly following the constitutional system. Some day I hope to get the Senator from Illinois back into the fraternity of constitutionalists.

Mr. DOUGLAS. Is the Senator from Oregon aware of the remark of the then Governor of New York—who later became Chief Justice of the United States, Charles Evans Hughes—at Elmira, N. Y., in 1908, I believe, when he declared that we live under a Constitution and that our Constitution is what the Supreme

Court says it is? Is the Senator from Oregon aware of that?

Mr. MORSE. Mr. President, I have been trying to tell the Senator from Illinois that all night, by citing to him a number of Supreme Court decisions. He should read them. They are a part of my argument. The Senator from Illinois will find the meaning of the Constitution of the United States in many respects in the decisions of the Supreme Court of the United States.

I submit to the Senator from Illinois that he and the other Senators who have joined with him in endorsing the amendment never read those decisions before they sponsored the amendment. If they had read those decisions, they would not have sponsored the amendment. If they had read those decisions, I believe they would have been just as enthusiastic about the separation-of-powers doctrine as I am. However, those Senators simply did not read the decisions.

Furthermore, in commenting on the theory of the Senator from Illinois about the State Department, I wish to say that I believe he would not be so sure about the alleged incompetence of those in the State Department if he read some of the names of those who serve there—names such as those of Walter Gifford or John McCloy or David Bruce or George Perkins or Dr. Bunche.

Mr. DOUGLAS. Those men were brought in from the outside in order to put real red blood into the State Department.

Mr. MORSE. They just happen to be ambassadors; that is all. They just happen to be in charge of United States embassies.

Mr. DOUGLAS. But they are not career men in the Foreign Service.

Mr. MORSE. Let me say to my good friend, the Senator from Illinois, that those men just happen to be in charge of the embassies which administer the Foreign Service of the United States.

Mr. DOUGLAS. Oh, no; the Senator from Oregon betrays an ignorance of the organization of the State Department. There is a group of professionals, comparable to Regular Army officers, called the Foreign Service, some 1,300 in number, and it is frequently they, and not the ambassadors, who perform the substantive work of our embassies—who actually write the recommendations to the State Department, even though they are sent over the ambassador's name.

Mr. MORSE. I know that, and I am convinced that I know it better than the Senator from Illinois does.

Mr. DOUGLAS. Mr. Gifford, David Bruce, and the other men named by the Senator from Oregon are not members of that group. The men to whom the Senator from Oregon turns as examples of the worth of the State Department are men for whom the State Department—not finding sufficiently competent men, or, in the case of the larger ambassadorial posts, men with sufficient resources, in the Foreign Service to fill these positions—had to turn to the outside—to other occupations. I say the example the Senator from Oregon has given is an extremely good example of blood transfusions in the State Department.

Mr. MORSE. I would not accuse the Senator from Illinois of anything, but in this instance he shows clearly that he does not know what he is talking about, because I think he is greatly mistaken if he seeks to make a record here tonight which would give the impression that the ambassadors in our embassies are not really the men who control the policies of the embassies in the foreign countries to which they are assigned. Those men have tremendous influence over the personnel of the embassies, and they have great power in weeding out incompetents from the embassies.

In my judgment, what the Senator from Illinois is really saying, in effect, is that men such as Walter Gifford, John McCloy, David Bruce, Douglas, Perkins, Bennett, and so on—

Mr. DOUGLAS. All of them are drawn from outside the Foreign Service; all of them are drawn from American business or industry. If the Foreign Service had its way, those men would not be in the embassies, because the Foreign Service intends that those jobs shall be the exclusive preserve of the regular officers of the Foreign Service.

Of course, the ambassadorial appointments are made by the President, by and with the advice and consent of the Senate, and not the advice and consent of the Foreign Service.

Mr. MORSE. Mr. President, I hope my good friend, the Senator from Illinois, will stop long enough to analyze the statement he has just made. I do not think he means it.

Mr. DOUGLAS. Yes; I mean it.

Mr. MORSE. The Senator from Illinois picks right out of the air his statement that the men I have named would not be in the Foreign Service if those to whom the Senator from Illinois has referred had their way. What does the Senator have to prove that statement? Where is his evidence of it?

The statement he has made is simply a dogmatic observation made use of for a moment of argument, without a single scintilla of proof. Where is the proof? The Senator knows better than to argue in that way.

All I can say is that I never knew the Senator from Illinois to be so tired.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Oregon yield to the Senator from Minnesota?

Mr. MORSE. I yield.

Mr. HUMPHREY. I have been enjoying the discussion between two of the intellectual giants of the Senate and two very able debaters.

Mr. MORSE. The Senator should not "kid" us.

Mr. HUMPHREY. The recent debate only proves that when two worthy antagonists begin to combat one another, it is very seldom for either one to yield a position. There has been a spirited argument, without any yielding of position.

As I understand the argument, it is that the Senator from Oregon, with his strong belief in the constitutional sys-

tem, which I trust all of us favor, feels that the entire management of the foreign relations should be under the direction of the President, as the Constitution prescribes, through the Secretary of State, and that the mutual-assistance program and all other foreign programs are a part of that matter.

On the other hand, the Senator from Illinois, I think, has justly pointed out that the Marshall plan, or the ECA program, as it is also known, has resulted in bringing a blood transfusion into the foreign policy apparatus of our country, bringing into that service new faces, new ideas, new personnel.

I do not think either side is exactly in opposition to the other; I think there is merit in both sides.

Mr. MORSE. Has the Senator from Minnesota read the amendment of the Senator from Illinois?

Mr. HUMPHREY. I speak now of the particular point the Senator has been discussing so directly, namely, the point as to the kind of personnel.

I simply say to the Senator from Illinois that it is well known that there has been open cleavage between ECA representatives and many of the Foreign Service representatives in certain countries. I do not think there have been open hostilities, but there have been, let us say, personal jealousies or differences of opinion which sometimes are difficult to settle.

I also think it is well known that for years the State Department has refused, for example, to put labor attachés who amounted to anything on the embassy staffs, and that the ECA has taken not only businessmen but farmers and labor leaders and others, who have done outstanding jobs in interpreting the real spirit of America. I think it is fair to say that the Senator from Illinois has pointed out again and again, without any reflection upon the character, and without any reflection upon the ability of Foreign Service officers, the need of new blood. I have a great respect for them, but they are overseas so long, and away from the American shores so long that they simply do not know what is going on back home; and once in a while it is a good idea to have somebody come right from the vineyards of the local community, to go abroad and talk to persons in the local areas in Germany or France or Belgium, and tell them about what the boys back in America are thinking about—and I mean away back in America, not merely as far as Pennsylvania, but perhaps as far as Oregon, Minnesota, Ohio, or Illinois. This is what the Senator from Illinois, I think, fairly stating, that there is the necessity of an occasional "shot in the arm" of new intellectual, physical, and moral vigor into the Departments of Government; and ECA has done that.

Is there any conflict here that cannot be reconciled? I say not. As a matter of fact, if we are going to conduct a program of the size of the one we are considering, which is a \$7,500,000,000 program, and which should be an \$8,500,000,000 program, not a \$7,500,000,000 program, it ought to be basic that if we are going to have that kind of program,

we are going to need additional personnel, or at least we are going to have to maintain a staff of the size we now have.

I think what the Senator from Illinois is more concerned about than anything else is that, somehow or other, this classified—and almost at times, let me say, codified—system of personnel apparatus does not fix itself into the kind of program that needs to be flexible, that needs to be creative. Whether we like it or not, the simple fact of the matter is that unless we occasionally have a shot in the arm of new personnel and new vigor, in any agency, it loses its zest for living. That is just as sure as that we are on this floor tonight. That is one of the things about defense agencies, that if we want to get the job done, we have got to bring in a few new people, because the other people are already skilled and they are routinized into a plan of operation which is not directed toward the emergency or toward the critical condition. Now, if the Senator from Oregon and the Senator from Illinois will agree that we should put this program under a unified direction—

Mr. DOUGLAS. That is all the Smith amendment does, plus, of course, increasing the transferability of funds.

Mr. HUMPHREY. But at the same time to preserve the kind of vigorous personnel operation that is needed—

Mr. DOUGLAS. That is the aim of the Smith amendment.

Mr. HUMPHREY. I think we will get some place, because I do not believe the Senator from Oregon can dispute that the personnel operation of ECA has been one of the outstanding accomplishments of the Government; nor do I think he can disprove what I have said, that the State Department, in the past—I will say recently it has had a change of heart, but in the past—relegated such attachés, agricultural attachés, labor attachés, or commercial attachés, not to secondary positions, but to the lowest rung in the ladder. They were at the bottom of the totem pole. Yet here is great America, an industrial nation, a labor nation, in terms of its industrial skill, an agricultural nation, that did not even have a chance to project that kind of economic spirit—and political spirit, because that is a part of our politics. That is all I am trying to say. I do not want to go into the final details of this amendment. I am not sufficiently familiar with it.

Mr. MORSE. Oh, no; oh, no.

Mr. HUMPHREY. I am perfectly willing to see this program placed under the over-all direction of the Secretary of State, but I am not willing that the Secretary of State should be able more or less to simply neutralize the question of the personnel operation which we have had. That is exactly my point.

Mr. MORSE. I am confused by the last statement which the Senator makes, because before the last statement I was about to ask him whether the conclusion he wanted me to draw from all of his remarks, up to the very last sentence, was that, therefore, we ought to have the Smith amendment.

Mr. HUMPHREY. Oh, no. The Senator from Minnesota is not at all saying

that. The Senator from Minnesota is saying, however, that if we are to permit this whole operation to be taken into the State Department without some protection in the terms of the kind of personnel that is to be used and the kind of recruitment that is to go on, we are going to have the situation about which the Senator from Illinois speaks; and I do not think he is being unfair to the Foreign Service when he says that it is not skilled in the field of economics, that it is not skilled in the art of practical politics, that it does not possess skill in the technological sciences which we need. They are skilled in something else, and it is fair to say that they are skilled in something else.

Mr. MORSE. Now, let us see. I have got two points. Is that correct? No. 1, the Senator from Minnesota is not advocating the Smith amendment.

Mr. HUMPHREY. No; he is not.

Mr. MORSE. He is simply saying he thinks the State Department ought to do a little better job than it does, in many particulars, in the selection of personnel, in administering some of the foreign-aid programs. Is that not about what the Senator is saying?

Mr. HUMPHREY. No.

Mr. MORSE. Or does he think for a moment—and in my opinion really this is where my good friend from Illinois makes a mistake, too, or is guilty of an oversight—does the Senator from Minnesota really think that the State Department could undertake a mutual-aid defense program of the magnitude of the one to which he has already alluded, and not bring in a considerable staff to help administer the program?

Mr. HUMPHREY. No. The Senator from Minnesota knows, as he said, that there will have to be plenty of additional personnel brought in for the staff.

Mr. MORSE. But the Senator from Minnesota is saying that, when they come to pick that staff, as the Senator from Oregon said approximately an hour and a half ago, and as I think the RECORD will show, they ought to get men of special skills necessary to do the particular job which needs to be done. But I repeat, we do not have to trespass upon the constitutional powers of the President of the United States in order to bring that about.

Why proceed on the assumption that we cannot count on the President of the United States and the Secretary of State to perform those big jobs through skilled men, specially trained for them?

Mr. HUMPHREY. I think that can be done.

Mr. MORSE. I submit that the Smith amendment proceeds on the assumption that we cannot rely on the President of the United States to perform his clear constitutional function. I am not going to make that assumption. I am going to judge the Presidents of the United States, and when they do not do that kind of job, or when they do not do an efficient job, then I say we ought to defeat them at the ballot box. But I do not think we ought to set up a kind of complex organization which I believe will cause confusion rather than efficiency, which will produce waste rather than

economy, which it seems to me, will cause tremendous jurisdictional disputes in the field of foreign service, and will pull the rug out from under our embassies all over Europe. That is my argument in a nutshell.

Mr. President, I am going to proceed now. Let me state what I am going to do. I wish I were free to say "off the record." I am going to read a paragraph on each page, and then I am going to put the whole page in. I am not going to yield any more. I think I have been exceedingly liberal in yielding. I am not going to yield any more. I am going to get this statement into the RECORD, as fast as I can, and get out of here by midnight.

Mr. President, so there can be no question as to the right of the Senator from Oregon to do what he is now doing, I ask unanimous consent that I may be allowed to read part of this speech and have the rest inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Now, Mr. President, I had said that one of the purposes of this speech which I am giving tonight is to provide a brief but somewhat comprehensive background to the foreign assistance legislative proposal. To the extent that it does this, it may be of some value, since little consideration seems to have been given this year to the pervading policy program problems, to which such background is especially pertinent.

I. THE PURPOSE OF THE MUTUAL DEFENSE ASSISTANCE PROGRAM

Secretary Marshall testified before the House committees last year that the original intent of the mutual defense assistance program was primarily to build up the morale of the European nations. He stated, in effect, that the elements of fear and despair were quite apparently inhibiting the European recovery program, and that it was believed that the sending of certain amounts of arms to Europe would have a meritorious effect.

The truth of this is supported by the fact that the first Mutual Defense Assistance Act contained a specific preamble clause recognizing that economic recovery was to take precedence over military build-up. In addition, the principle that the United States was not to initiate an armaments race, as ably expressed by the late Senator Vandenberg, fitted in well with this original concept. Thus, the so-called Byrd amendment, section 104, which drastically limited any major assistance to European military production, was included in the act.

In 1950, a change of direction in the purpose of the program was apparent. For instance, in the 1950 act amending the Mutual Defense Assistance Act, the categories of tools that could be sent to Europe were significantly broadened. As a matter of fact, the unexpected legal definition of the term "machine tools" as used in the 1949 act was so narrow as to restrict what could be sent to European factories during that first year to almost nothing. It was not until the supplemental appropriation of 1950 was passed, however, that a new purpose was apparent. By then, the Korean conflict

had achieved full impact, and the Congress appropriated an additional \$4,000,000,000, a significant part of which was to be used for building up European military production.

II. THE CHANGE IN THE EUROPEAN RECOVERY PROGRAM

The Marshall plan was initially designed, and has been administered almost entirely to inject funds into Europe in a sufficient amount to alleviate the dollar-balance problem of the European countries. In this connection, certain basic practices were followed:

First. No effort was to be made, generally, to use ECA funds as a bargaining medium for the obtaining of political commitments, or advantages. This was, in essence, Marshall's calculated risk that an economic recovery would produce an atmosphere in which democracy would thrive in competition with communism.

Second. ECA dollars were to be spent only for goods from the dollar area. This had two effects, first, United States grants were not actually in dollars, but rather in materials, and secondly, ECA funds added directly and immediately to the market for United States production, including some surplus.

Third. Usual commercial and business practices were to be followed. The consumer in the country involved was to pay in local currency the fair value of the item he received, which payment became a part of the counterpart fund in that country, to be spent for developmental projects as agreed upon by each country and the United States.

Fourth. European production of civilian items, with an emphasis on items salable in the dollar area, was to be assisted especially through technical direction and education. ECA was not to assist specific military production.

Now, it is said the original purpose of ECA has been accomplished. It is proposed, however, that additional economic assistance be given as an essential to the building up of European military production and to assist in maintaining approximately the achieved standard of living. To the extent that the Europeans divert their production to military items, they, of course, cut down the production of goods for their own consumers, thereby increasing inflationary pressures and cut down the amount of dollar exports thereby increasing the dollar-balance problem. It is also proposed that a technical-assistance program be carried on in relation to military production.

III. THE NEW APPROACH

Thus, the entire approach of both the MDAP program and the ERP program has changed drastically. For the first time, Congress is dealing with a program which is admittedly intended to foster a major European military production. It is in this connection that the various proposals for the organization of the new mutual security program are really significant. From a strictly organizational standpoint, the recently published Brookings report is obviously the most competent on this particular subject. It does not, however, represent for that very reason, any significant addition

now to the mass of documents already issued. Basically, the conflict is on matters quite irrelevant to a proper organizational decision as such; rather ideas on basic policy are being expressed in organizational terms.

The most significant of the proposals in this respect is that of the Committee on the Present Danger adopted by Senator SMITH as the basis of his amendments to be offered to the administration's bill. Briefly, this committee urges an as complete as possible unification in one agency of policy control over the program, and makes a stab at providing some integration of operations within that agency. An agency separate from the Department of State is recommended.

Before discussing in more detail the merits of the conclusion made by this committee, a good hard look at the analysis in which the report indulged is necessary. This analysis is so incorrect in its important respects that it can only be concluded that many of the committee members, themselves a very outstanding group, participated only very generally in the preparation.

The basic proposition of the report can be garnered from the following statement (p. 40 of the full committee report):

That so-called military aid is essentially a form of economic aid has come to be generally recognized. Under the original Greek-Turkish Assistance Act, military equipment, military and civilian supplies, and credits were furnished. Congress was right, as we have pointed out, in describing all aid in that act as "financial and economic assistance." Now, in Europe, under the economic strain of an enlarged troop basis it may well be said that all the assistance for which appropriations are being asked is in a sense military aid as well as economic aid. The immediate occasion is military, the means to the end in whatever form are economic.

This statement is made significant by statements made on preceding pages of the full committee report, as follows:

Given the total requirement to make possible the requisite troop strength while maintaining the essential supporting economy, the amount of United States aid required would be determined by the contribution which the European countries can make from their own resources. Several approaches to this phase of problem have been suggested and are discussed below.

The report then discussed these several approaches, making some sound points, until it comes to subsection (e) "Separate Criteria for 'Economic' and 'Military' Aid," as follows:

In addition to the approaches discussed above, there might be another approach growing out of the artificial separation in appropriations hitherto of so-called economic aid and military aid. The prospective cost of needed items of military equipment, which it was believed could not be produced at all or to advantage by a foreign nation itself, might be looked at independently of the over-all economic balance sheet of the country and an appropriation made to enable us to transfer such items on the ground that it would constitute necessary military aid. Or on a quite different set of criteria, certain expenditures might be deemed to make for the economic strength of the country and needed to close a "dollar gap" and appropriations asked to enable needed economic aid to be given. But such distinctions and such an approach deal with the form

rather than the substance. It is the extent to which the over-all economic ability of one of these nations falls short of being able to meet its over-all essential requirements for our common objectives that determines whether there is any occasion for us to transfer any part of our economic resources to that nation.

Then, on page 39, the report states the following:

The particular need in particular areas for assistance from our resources may vary widely. The forms in which we can best apply that aid may also vary widely. But we are dealing with a single function and a single test. Are there things which, for mutual security, it is imperative should be done in and by other nations, which are beyond their unassisted economic ability to do? What is the measure of the additional resources which would enable these things to be done? Is it within our economic ability to provide such assistance from our resources, in view of the other demands upon it and within the general policies of Congress and the Executive? In what varying forms can they be supplied most effectively?

The report then continues to suggest that these things can best be accomplished by a centering and fixing, and suggests that "The present ECA organization would, of course, be the core of the new set-up"—page 46.

Two significant conclusions can be drawn from the above quotations: First, the report proposes that all of the primary and basic policy decisions are economic, and second, the report thereby, although stating that its suggestions would integrate operations really attempts to integrate policy in one agency outside the State Department.

The first proposition is patently absurd. The first criteria is the number of troops to be developed, equipped, and maintained. This is a matter of Department of Defense cognizance, in conjunction with international planning and assignment. The second step is a decision as to where the needed equipment should be produced. While the economic ability of the countries in Europe to produce military equipment is an integral factor, it is by no means even the most important one. Matters of great practicality, such as the tooling capabilities of specific plants, the factor of timing, the cost of a particular item, and so forth, are the decisions which, in the aggregate, determine where equipment is to be produced. At the most, the so-called economic criteria, such as the dollar balance of the country, provide only limits or boundaries within which a certain amount of production can be carried on.

Further the report blithely passes over any consideration of the need for a close integration of political and economic considerations, except to the extent that it seems to suggest that such political questions as it admits exist can either be taken care of by the new administrator, or are of such a character as not to require the closest type of integration. To mention at least one field in which this just isn't true, the report fails to discuss military production from Japan, Germany, and Italy in any detail. Obviously, the primary problems in all three which must be handled before effective production can or should begin, are political. This failure to recognize

the need for political-economic integration perhaps derives from the fact that it was not necessary for ECA proper. ECA was not to be used as a political tool—that is, no direct quid pro quos were to be expected. This was possible since it was believed that an economic revival in Europe would have great political results, as it did. However, a military build-up program is of an entirely different nature, in which military aid funds must be matched by local funds in a field which will not assist economic recovery.

Thus, the efforts to obtain from the French an adequate military budget were largely made through political discussions. The French had to be sold on doing something which would hurt.

Further, and even more importantly, the proposition that decisions of policy are dependent primarily upon economic factors would seem to be a dangerous adoption of the ideas of economic determinism to a degree never before engaged in by the United States. It presupposes something far beyond the philosophy of ECA. Briefly, ECA acted primarily as an international banker, with ECA funds flowing through regular commercial channels. When military items are dealt with, the Government itself is in each case the purchaser, from which comes the result as a necessary change that we will be dealing government to government directly. The rules of commercial practice cannot be depended upon in such a case either to produce a desired result or to provide a limitation on how the money is spent; rather, almost every transaction of any size becomes a matter of intergovernmental negotiation. To enter these negotiations with the idea that the economic factors are the salient ones is to dangerously oversimplify our foreign-policy relationships.

As an example demonstrating that this is not taken into account by the Committee on the Present Danger, Senator SMITH's bill would establish overseas what amounts to two ambassadors in each country. Not only is this the opposite of integration, but the political representatives are deprived of the assistance programs as an affirmative tool. All the Ambassador can do is to complain to Washington if he deems the actions of the mutual security representative "contrary to the foreign policy of the United States."

One or two of these matters are given some cognizance by the bill passed by the House (H. R. 5113). For instance, section 513 of that act provides that "nothing contained in the act shall be construed to infringe upon the powers or functions of the Secretary of State." Just what this would mean, however, in actuality is hard to predict.

Fourth. Policy control by Congress.

It is therefore apparent that the Congress has generally allowed nominal decisions on organization to become decisive in changing the very philosophy of our foreign-aid programs. Buttressing this conclusion is the fact that the bills so far proposed contain little indi-

cation that the Congress has given any consideration or weight to the new problems of substance which face us.

That this will derogate from the amount of practical control which Congress will have over the programs can be demonstrated by one example. As previously mentioned, at its inception, the Mutual Defense Assistance Act contained the so-called Byrd amendment (sec. 104) which effectively prohibited much assistance to military production in Europe. Now, the method of abolishing the effect of that amendment is one line which (in sec. 101 (a) (2) of H. R. 5113) applies the authority of ECA to the assistance of military production in Europe. Since the authority of ECA to assist productive facilities is relatively unlimited, the Byrd amendment is nullified. This is probably a necessary step, but the point is still valid as a demonstration that the House bill, in merely amalgamating three acts, and delimiting the various functions only through the allocation of funds, produces a legal hodgepodge wherein the limitations placed in each act may or may not have validity. This was also the method followed in the bill presented by the executive branch, and almost completely, it is submitted, eliminates one of the strongest methods of congressional control of the foreign assistance programs; namely, current up-to-date policy directives in the form of legislative language.

Fifth. The question of appropriations has been directed almost entirely against the so-called economic assistance. The stated reason for suggesting these cuts is generally that the "European nations don't need any more funds for economic recovery." This is, of course, a complete failure to recognize that the economic assistance in this act is required for the effective production of military items in Europe. That this has not been recognized more by the Congress is probably primarily the fault of the administration in making its presentation, and, as a matter of fact, in calling the funds tagged for this purpose by the term "economic assistance." Be that as it may, if any sizable cut is made in the funds to be expended under the ECA Act, it might well be necessary to provide a greater degree of interchangeability between the "military" and the "economic" funds, since what they are really talking about is production in the United States—military—or production in Europe—economic—and, as stated earlier, a fair degree of flexibility in authority to decide where the item is to be produced is essential.

In summary, I wish to say that essentially the big question in this year's legislation on foreign assistance is that of European military production. The primary problem for decision is the extent and the manner of using and developing that production. While this problem has been thoroughly considered at all previous sessions, it has been considered this time primarily in terms of organization and appropriations, and the issues have, therefore, become diffused and uncertain. In the process, Congress

has, in effect, taken over the functions of an organizer, and given up its function of controlling basic policy.

Mr. President, I have set forth at some length in my argument tonight the fact that I think the European countries need a further build-up of their economic productive forces if they are really going to put themselves into a position over the long pull to defend themselves against the threat of onrushing Communist aggression in Europe.

I spoke at much greater length than I intended, but that, of course, was necessary in order to answer my good friend from Illinois (Mr. DOUGLAS) on certain points on which I found that he had overlooked what I considered to be some very fundamental constitutional principles that should be considered by the Senate tomorrow when it comes to pass upon the Smith amendment.

I close by saying to my colleagues that they will never go wrong if they follow the constitutional system, with its basic pattern of separation of powers. They will never go wrong if they stay within their own constitutional bailiwick and do not transgress upon and trespass into the constitutional prerogatives of the President of the United States to function as the Supreme Court has held so many times in the decisions which I have cited tonight as the voice of America in the field of foreign policy.

FRED P. HINES—VETO MESSAGE (S. DOC. NO. 68)

The PRESIDING OFFICER (Mr. FREAR in the chair) laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary, and ordered to be printed:

To the United States Senate:

I am returning herewith, without my approval, S. 827, Eighty-second Congress, "An act for the relief of Fred P. Hines."

This measure would authorize and direct the Administrator of Veterans' Affairs to pay to the claimant the sum of \$778.78, which, to quote the bill, represents "the amount necessary to pay private medical and hospital expenses incurred by him incident to an emergency operation when his physical condition was such that he could not be removed to a Veterans' Administration hospital."

Mr. Fred P. Hines served in the United States Army during the Spanish-American War from April 29, 1898, to the date of his honorable discharge on November 18, 1898. There is no evidence that he was suffering from service-connected disabilities at the time of his discharge, and it is clear that Mr. Hines has not suffered from any service-connected disability since his discharge.

Over a long period of years, beginning in 1920 with approval of a non-service-connected pension claim, Mr. Hines has been recognized by the Government as suffering from non-service-connected disabilities. In connection with them, he was admitted as a patient at the Veterans' Administration hospital,

Fargo, N. Dak., on September 22, 1941, and was there hospitalized until May 14, 1942. He was again admitted to that hospital on February 7, 1948, and was discharged on March 4, 1948. On June 2, 1948, he was temporarily hospitalized at the same hospital for the third time, but was discharged, apparently on the same day, since he was admitted to complete dental work started earlier.

A little over a month later, on July 14, 1948, Mr. Hines underwent surgery in a private hospital to correct a complete obstruction of the lower end of his stomach. From the statement of his private physician furnished to the Veterans' Administration on May 10, 1949, it appears that this surgical operation followed a period of study and general upbuilding measures and discussion of his condition, both with him and with his family.

The veteran was well aware of his eligibility for hospitalization at a Veterans' Administration hospital, as evidenced by the admissions and periods of treatment mentioned above. I am reluctant on the basis of the record of this case to accept the statutory finding of the Congress that the period of hospitalization and medical treatment for which this measure would recompense Mr. Hines was incident to an emergency operation when his physical condition precluded removal to a Veterans' Administration hospital. Also, I find it difficult to understand why either Mr. Hines or his representatives should feel that they have a basis for claiming recompense from the Government, particularly in view of the fact that in February 1947 the veteran was notified by the Veterans'

Administration that there was no legal basis to pay his claim for medical and hospital care at a private hospital in January 1947 under circumstances not dissimilar from those here presented. This rejection of claim could scarcely have been forgotten by Mr. Hines and his family.

The committees of the Congress, in reviewing the action of the Veterans' Administration in rejecting the claim upon which S. 827 is based, say:

There is little doubt but that the Veterans' Administration is correct in its interpretation of the regulations concerning this veteran's entitlement to medical care and treatment. Legally, the claimant has no ground for recovery.

I agree with this statement, but I cannot agree that the case presents factors of equity which justify the enactment of this bill. Neither can I agree with the conclusion of the committees that a favorable decision on this measure does not establish a precedent.

The rules under which eligible veterans may be hospitalized for disability not connected with their active military service are as clear as they are liberal and equitable. To set them aside in favor of Mr. Hines would inevitably constitute a precedent for the presentation to the Congress of proposals similar to this measure in behalf of other claimants. It seems to me certain that the adoption of the principle underlying this bill would provide a far-reaching incentive to veterans generally to engage the services of private physicians and hospitals in the hope and belief that the Government ultimately would pay the costs thereby incurred.

I recognize and respect the compassion which prompted favorable action by the Congress on this measure, but I cannot disregard, solely on compassionate grounds, either the facts in this case or the established limits for medical and hospital treatment of non-service-connected disabilities.

For the foregoing reasons, I feel obliged to return this bill without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, August 30, 1951.

RECESS

Mr. HUMPHREY. I move that the Senate stand in recess until 10 o'clock a. m. tomorrow.

The motion was agreed to; and (at 11 o'clock and 54 minutes p. m.) the Senate took a recess, the recess being, under the unanimous-consent agreement, until tomorrow, Friday, August 31, 1951, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate August 30 (legislative day of August 27), 1951:

DIPLOMATIC AND FOREIGN SERVICE

Harold B. Minor, of Kansas, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Republic of Lebanon.

FEDERAL DEPOSIT INSURANCE CORPORATION

Henry Earl Cook, of Ohio, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years from September 6, 1951. (Reappointment.)

82D CONGRESS
1ST SESSION

H. R. 5113

IN THE SENATE OF THE UNITED STATES

AUGUST 31 (legislative day, AUGUST 27), 1951

Ordered to be printed with the amendment of the Senate

AN ACT

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Mutual Security Act of
4 1951".

5 SEC. 2. The Congress declares it to be the purpose of
6 this Act to maintain the security and to promote the foreign
7 policy of the United States by authorizing military, economic,
8 and technical assistance to friendly countries to strengthen
9 the mutual security and individual and collective defenses of

1 the free world, to develop their resources in the interest of
2 their security and independence and the national interest
3 of the United States and to facilitate the effective participa-
4 tion of those countries in the United Nations system for col-
5 lective security. The purposes of the Mutual Defense Assist-
6 ance Act of 1949, as amended (~~22 U. S. C. 1571-1604~~),
7 the Economic Cooperation Act of 1948, as amended (~~22~~
8 ~~U. S. C. 1501-1522~~), and the Act for International De-
9 velopment (~~22 U. S. C. 1557~~) shall hereafter be deemed
10 to include this purpose.

11 TITLE I—EUROPE

12 SEC. 101. (a) In order to support the freedom of Europe
13 through assistance which will further the carrying out of the
14 plans for defense of the North Atlantic area, while at the
15 same time maintaining the economic stability of the countries
16 of the area so that they may meet their responsibilities for
17 defense, and to further encourage the economic unification
18 and the political federation of Europe, there are hereby au-
19 thorized to be appropriated to the President for the fiscal year
20 1952 for carrying out the provisions and accomplishing the
21 policies and purpose of this Act—

22 ~~(1)~~ not to exceed \$5,028,000,000 for assistance
23 pursuant to the provisions of the Mutual Defense
24 Assistance Act of 1949, as amended (~~22 U. S. C.~~

1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this Act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States and for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist dominated areas of Germany and Austria, and any other countries absorbed by the Soviet Union either to form such persons into national elements of the military forces of the North Atlantic Treaty Organization or for the purposes, when it is similarly determined by the President that such assistance is important in the defense of the North Atlantic area and of the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph

1 are hereby authorized to be continued available through
2 June 30, 1952, and to be consolidated with the appro-
3 priation authorized by this paragraph.

4 ~~(2)~~ not to exceed \$985,000,000 for assistance
5 pursuant to the provisions of the Economic Coopera-
6 tion Act of 1948, as amended ~~(22 U. S. C. 1501-1522)~~
7 ~~(including assistance to further European military pro-~~
8 ~~duction)~~, for any country of Europe covered by para-
9 graph ~~(1)~~ of this subsection and for any other country
10 covered by section 103 ~~(a)~~ of the said Economic Co-
11 operation Act of 1948, as amended. In addition, un-
12 expended balances of appropriations heretofore made
13 for carrying out the purposes of the Economic Coopera-
14 tion Act of 1948, as amended, are hereby authorized
15 to be continued available through June 30, 1952, and to
16 be consolidated with the appropriation authorized by
17 this subsection: *Provided*, That not to exceed \$30,
18 000,000 of the funds made available pursuant to this
19 subsection may be utilized to effectuate the purposes
20 of section 115 ~~(c)~~ of the Economic Cooperation Act of
21 1948, as amended.

22 ~~(b)~~ Not to exceed 5 per centum of the total of the ap-
23 propriations granted pursuant to this section may be trans-
24 ferred, when determined by the President to be necessary

1 for the purposes of this Act, between appropriations granted
2 pursuant to either paragraph of subsection (a): *Provided*,
3 That the amount herein authorized to be transferred shall be
4 determined without reference to any balances of prior appro-
5 priations continued available pursuant to this section: *Pro-*
6 *vided further*, That, whenever the President makes any such
7 determination, he shall forthwith notify the Committee on
8 Foreign Relations of the Senate, the Committee on Foreign
9 Affairs of the House of Representatives, and the Committees
10 on Armed Services of the Senate and of the House of Rep-
11 resentatives.

12 TITLE II—NEAR EAST AND AFRICA

13 SEC. 201. In order to further the purpose of this
14 Act by continuing to provide military assistance to
15 Greece, Turkey, and Iran, there are hereby authorized
16 to be appropriated to the President for the fiscal year
17 1952, not to exceed \$415,000,000 for furnishing assistance
18 to Greece and Turkey pursuant to the provisions of the Act
19 of May 22, 1947, as amended (22 U. S. C. 1401-1410),
20 and for furnishing assistance to Iran pursuant to the pro-
21 visions of the Mutual Defense Assistance Act of 1949, as
22 amended (22 U. S. C. 1571-1604). In addition, un-
23 expended balances of appropriations heretofore made for
24 assistance to Greece and Turkey, available for the fiscal

1 year 1951, pursuant to the Act of May 22, 1947, as amended,
2 and for assistance to Iran pursuant to the Mutual Defense
3 Assistance Act of 1949, as amended, are hereby authorized
4 to be continued available through June 30, 1952, and to be
5 consolidated with the appropriation authorized by this
6 section.

7 SEC. 202. Whenever the President determines that such
8 action is essential for the purpose of this Act, he may provide
9 assistance, pursuant to the provisions of the Mutual Defense
10 Assistance Act of 1949, as amended, to any country of the
11 Near East area (other than those covered by section 201)
12 and may utilize not to exceed 10 per centum of the amount
13 made available (excluding balances of prior appropriations
14 continued available) pursuant to section 201 of this Act:
15 *Provided*, That any such assistance may be furnished only
16 upon determination by the President that (1) the strategic
17 location of the recipient country makes it of direct importance
18 to the defense of the Near East area, (2) such assistance is
19 of critical importance to the defense of the free nations, and
20 (3) the immediately increased ability of the recipient country
21 to defend itself is important to the preservation of the peace
22 and security of the area and to the security of the United
23 States.

24 SEC. 203. In order to further the purpose of this Act in
25 Africa and the Near East, there are hereby authorized to be

1 appropriated to the President, for the fiscal year 1952, not
2 to exceed \$175,000,000 for economic and technical assistance
3 in Africa and the Near East in areas other than those covered
4 by section 103 (a) of the Economic Cooperation Act of
5 1948, as amended (22 U. S. C. 1502). Funds appropriated
6 pursuant to this section shall be available under the applicable
7 provisions of the Economic Cooperation Act of 1948, as
8 amended (22 U. S. C. 1501-1522), and of the Act for
9 International Development (22 U. S. C. 1557).

10 SEC. 204. Not to exceed \$50,000,000 of the funds
11 authorized under section 203 hereof may be contributed to
12 the United Nations during the fiscal year 1952, for the pur-
13 poses, and under the provisions, of the United Nations
14 Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556):
15 *Provided That*, whenever the President shall determine
16 that it would more effectively contribute to the purposes of
17 the said United Nations Palestine Refugee Aid Act of 1950,
18 he may allocate any part of such funds to any agency of
19 the United States Government to be utilized in furtherance
20 of the purposes of said Act: *Provided further*, That no
21 amount may be so allocated unless it will be credited by the
22 United Nations as part of the United States contribution to
23 the United Nations Palestine Refugee Agency.

24 SEC. 205. In order to assist in the relief of refugees
25 coming into Israel, not to exceed \$50,000,000 of the funds

1 authorized under section 203 hereof may be utilized during
2 the fiscal year 1952, under such terms and conditions as
3 the President may prescribe, for specific refugee relief and
4 resettlement projects in Israel.

5 TITLE III—ASIA AND PACIFIC

6 SEC. 301. In order to carry out in the general area of
7 China (including the Republic of the Philippines and the
8 Republic of Korea) the provisions of subsection (a) of
9 section 303 of the Mutual Defense Assistance Act of 1949,
10 as amended (22 U. S. C. 1604 (a)), there are hereby
11 authorized to be appropriated to the President for the fiscal
12 year 1952, not to exceed \$530,000,000. In addition, unex-
13 pended balances of appropriations heretofore made for carry-
14 ing out the provisions of title III of the Mutual Defense
15 Assistance Act of 1949, as amended (22 U. S. C. 1602-
16 1604), are hereby authorized to be continued available
17 through June 30, 1952, and to be consolidated with the
18 appropriation authorized by this section. Not to exceed
19 \$50,000,000 of funds appropriated pursuant to this section
20 (excluding balances of appropriations continued available)
21 may be accounted for as provided in subsection (a) of said
22 section 303.

23 SEC. 302. (a) In order to further the purpose of this
24 Act through the strengthening of the area covered in section
25 301 of this Act (but not including the Republic of Korea),

1 there are hereby authorized to be appropriated to the Presi-
2 dent, for the fiscal year 1952, not to exceed \$237,500,000
3 for economic and technical assistance in those portions of
4 such area which the President deems to be not under Com-
5 munist control. Funds appropriated pursuant to authority
6 of this section shall be available under the applicable pro-
7 visions of the Economic Cooperation Act of 1948, as
8 amended, and of the Act for International Development
9 (22 U. S. C. 1557). In addition, unexpended balances of
10 funds heretofore made available for carrying out the purposes
11 of the China Area Aid Act of 1950 (22 U. S. C. 1547), are
12 hereby authorized to be continued available through June
13 30, 1952, and to be consolidated with the appropriation
14 authorized by this section.

15 ~~(b)~~ The third proviso of section 202 of the China Area
16 Aid Act of 1950 is amended by inserting "and of Korea"
17 after "selected citizens of China" each time it appears therein.

18 SEC. 303. (a) In order to provide for the United States
19 contribution to the United Nations Korean Reconstruction
20 Agency, established by the resolution of the General As-
21 sembly of the United Nations of December 1, 1950, there are
22 hereby authorized to be appropriated to the President not to
23 exceed \$11,250,000. In addition, unobligated balances of
24 the appropriations heretofore made, and available during the

1 fiscal year 1951, for assistance to Korea under authority of
2 the Far Eastern Economic Assistance Act of 1950, as
3 amended (22 U. S. C. 1543, 1551, 1552), are hereby
4 authorized to be continued available through June 30, 1952,
5 and to be consolidated with the appropriation authorized by
6 this section.

7 (b) The sums made available pursuant to subsection
8 (a) may be contributed from time to time on behalf of the
9 United States in such amounts as the President determines to
10 be appropriate to support those functions of the United
11 Nations Korean Reconstruction Agency which the military
12 situation in Korea permits the Agency to undertake pursuant
13 to arrangements between the Agency and the United Nations
14 Unified Command. The aggregate amount which may be
15 contributed on behalf of the United States pursuant to the
16 preceding sentence shall be reduced by the value of goods
17 and services made available to Korea by any department
18 or agency of the United States for relief and economic assist-
19 ance after the assumption of responsibility for relief and
20 rehabilitation operations in Korea by the United Nations
21 Korean Reconstruction Agency.

22 (c) The provisions of subsections 304 (a) and (b) of
23 the United Nations Palestine Refugee Aid Act of 1950 (22
24 U. S. C. 1556 (b)) are hereby made applicable with respect
25 to Korean assistance furnished under this section.

(d) Unencumbered balances of sums heretofore or hereafter deposited in the special account established pursuant to paragraph (2) of article V of the agreement of December 10, 1948, between the United States of America and the Republic of Korea (62 Stat., part 3, 3788) shall be used in Korea for such purposes as the President determines to be consistent with United Nations programs for assistance to Korea and as may be agreed to between the Government of the United States and the Republic of Korea.

TITLE IV—AMERICAN REPUBLICS

SEC 401. In order to further the purpose of this Act through the furnishing of military assistance to the other American Republics, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$40,000,000 for carrying out the purposes of this section under the provisions of the Mutual Defense Assistance Act of 1949, as amended: *Provided*, That such assistance may be furnished only in accordance with defense plans which are found by the President to require the recipient country to participate in missions important to the defense of the Western Hemisphere. Any such assistance shall be subject to agreements, as provided herein and as required by section 402 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1573), designed to assure that the assistance will be used to promote the de-

1 fense of the Western Hemisphere; and after agreement by
2 the Government of the United States and the country con-
3 cerned with respect to such missions, military assistance
4 hereunder shall be furnished only in accordance with such
5 agreement.

6 SEC. 402. In order to further the purpose of this Act
7 among the peoples of the American Republics through the
8 furnishing of technical assistance, there are hereby author-
9 ized to be appropriated to the President, for the fiscal year
10 1952, not to exceed \$22,000,000 for assistance under the
11 provisions of the Act for International Development (22
12 U. S. C. 1557) and of the Institute of Inter-American
13 Affairs Act, as amended (22 U. S. C. 281).

14 TITLE V—ORGANIZATION AND 15 ADMINISTRATION

16 MUTUAL SECURITY ADMINISTRATION

17 SEC. 501. (a) There is hereby established, with its
18 principal office at the seat of the Government, an agency to
19 be known as the Mutual Security Administration, herein-
20 after referred to as the Administration. The Administration
21 shall be headed by a Mutual Security Administrator, here-
22 inafter referred to as the Administrator, who shall be ap-
23 pointed by the President, by and with the advice and con-
24 sent of the Senate, and who shall be responsible to the
25 President. The Administrator shall have a status in the

1 executive branch of the Government comparable to that of
2 the head of an executive department, and shall receive com-
3 pensation at the same rate.

4 (b) There shall be in the Administration a Deputy
5 Mutual Security Administrator who shall be appointed by
6 the President, by and with the advice and consent of the
7 Senate, and shall receive compensation at the same rate as
8 that payable to an Under Secretary of an executive depart-
9 ment. The Deputy Mutual Security Administrator shall
10 perform such functions as the Administrator shall designate,
11 and shall be Acting Mutual Security Administrator during
12 the absence or disability of the Administrator or in the event
13 of a vacancy in the office of Administrator.

14 (c) Officers, employees, agents, and attorneys may be
15 employed by the Administrator for duty within the con-
16 tinental limits of the United States in accordance with the
17 provisions of the civil service laws and the Classification
18 Act of 1949, as amended, except that, of such per-
19 sonnel, not to exceed sixty may be compensated at rates
20 higher than those provided for grade 15 of the General
21 Schedule established by the Classification Act of 1949, as
22 amended, and of these, not to exceed twenty-five may be
23 compensated at a rate in excess of the highest rate provided
24 for grades of such General Schedule, but not in excess of
25 \$15,000 per annum. Such one hundred positions shall be

1 in addition to the number authorized by section 505 of the
2 Classification Act of 1949, as amended.

3 (d) Persons employed for duty outside the continental
4 limits of the United States and officers and employees of the
5 United States Government assigned for such duty, may
6 receive compensation at any of the rates provided for the
7 Foreign Service Reserve and Staff by the Foreign Service
8 Act of 1946 (22 U. S. C. 801-1158), as amended, may
9 receive allowances and benefits not in excess of those estab-
10 lished thereunder, and may be appointed to any class in the
11 Foreign Service Reserve or Staff in accordance with the
12 provisions of such Act, and assigned to duties for the
13 Administrator.

14 (e) Alien clerks and employees employed for the pur-
15 pose of performing functions under this Act shall be em-
16 ployed in accordance with the provisions of the Foreign
17 Service Act of 1946, as amended.

18 (f) Whenever the President determines it to be con-
19 sistent with and in furtherance of the purpose of this Act,
20 the head of any Government agency is authorized to—

21 (1) detail or assign any officer or employee of his
22 agency to any office or position to which no compensa-
23 tion is attached with any foreign government or foreign
24 government agency: *Provided*, That such acceptance of

office shall in no case involve the taking of an oath of allegiance to another government; and

~~(2)~~ detail, assign, or otherwise make available to any international organization in which the United States participates, any officer or employee of his agency to serve with or as a member of the international staff of such organizations.

Any such officer or employee, while so designed or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds made available to that agency out of funds authorized under this Act.

~~(g)~~ Experts and consultants or organizations thereof may be employed as authorized by section 15 of the Act of August 2, 1946 (~~5 U. S. C. 55a~~), and individuals so employed may be compensated at a rate not in excess of \$50 per diem.

~~(h)~~ No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Administrator or the Secretary of State under this Act for a period to exceed three months unless ~~(1)~~ such

1 individual has been investigated as to loyalty and security
2 by the Federal Bureau of Investigation and a report thereon
3 has been made to the Administrator and the Secretary of
4 State, and until the Administrator or the Secretary of State
5 has certified in writing (and filed copies thereof with the
6 Senate Committee on Foreign Relations and the House Com-
7 mittee on Foreign Affairs) that, after full consideration of
8 such report, he believes such individual is loyal to the United
9 States, its Constitution, and form of government, and is not
10 now and has never been a member of any organization advo-
11 eating contrary views; or (2) such individual has been
12 investigated by a military intelligence agency and the Sec-
13 retary of Defense has certified in writing that he believes
14 such individual is loyal to the United States and filed copies
15 thereof with the Senate Committee on Foreign Relations
16 and the House Committee on Foreign Affairs. This subsec-
17 tion shall not apply in the case of any officer appointed by
18 the President by and with the advice and consent of the
19 Senate, nor shall it apply in the case of any officer or em-
20 ployee previously investigated and certified.

21 GENERAL FUNCTIONS OF ADMINISTRATOR

22 SEC. 502. (a) Except as otherwise provided in this
23 Act, there shall be transferred to the Administrator the
24 powers and functions conferred upon—

25 (1) the Administrator for Economic Cooperation by

1 the Economic Cooperation Act of 1948, as amended,
2 and the Far Eastern Economic Assistance Act of 1950,
3 as amended;

4 ~~(2) the Secretary of State under the Institute of~~
5 ~~Inter-American Affairs Act; and~~

6 ~~(3) the President by the Mutual Defense Assistance~~
7 ~~Act of 1949, as amended, the Act for International~~
8 ~~Development, and the Act of May 22, 1947, as amended,~~
9 ~~except the power to conclude international agreements,~~
10 ~~the power to make appointments by and with the advice~~
11 ~~and consent of the Senate, and the powers enumerated in~~
12 ~~section 408 (c) of the Mutual Defense Assistance Act~~
13 ~~of 1949, as amended.~~

14 ~~(b) The following agencies and offices shall cease to~~
15 ~~exist:~~

16 ~~(1) The Economic Cooperation Administration and the~~
17 ~~offices of Administrator and Deputy Administrator for Eco-~~
18 ~~nomie Cooperation;~~

19 ~~(2) The office of United States Special Representative~~
20 ~~in Europe and of Deputy United States Special Representa-~~
21 ~~tive in Europe created by the Economic Cooperation Act of~~
22 ~~1948, as amended;~~

23 ~~(3) The office created by section 413 (a) of the Act for~~
24 ~~International Development;~~

1 ~~(4)~~ The offices created by section 406 ~~(c)~~ of the Mutual
2 Defense Assistance Act of 1949, as amended.

3 ~~(c)~~ Any personnel, upon the certification of the Ad-
4 ministrator and with the approval of the Director of the
5 Bureau of the Budget that such personnel are necessary to
6 carry out the functions of the Administrator, and all records
7 and property which the Director of the Bureau of the Budget
8 determines are used primarily in the administration of the
9 powers and functions transferred to the Administrator by this
10 Act, shall be transferred to the Mutual Security Admin-
11 istration.

12 SEC. 503. In order to strengthen and make more effec-
13 tive the conduct of the foreign relations of the United States,
14 and to carry out the purpose of this Act—

15 ~~(a)~~ the Secretary of State, the Administrator, and
16 the Secretary of Defense shall keep each other fully and
17 currently informed on matters, including prospective
18 action, arising within the scope of their respective duties
19 which are pertinent to the duties of the other;

20 ~~(b)~~ whenever the Secretary of State believes that
21 any action, proposed action, or failure to act on the part
22 of the Administrator is inconsistent with the foreign-
23 policy objectives of the United States, he shall consult
24 with the Administrator and, if differences of view are

1 not adjusted by consultation, the matter shall be referred
2 to the President for final decision;

3 (c) whenever the Secretary of Defense believes that
4 any action, proposed action, or failure to act on the
5 part of the Administrator is inconsistent with the military
6 security objectives of the United States, he shall consult
7 with the Administrator and, if differences of view are not
8 adjusted by consultation, the matter shall be referred to
9 the President for final decision; and

10 (d) whenever the Administrator believes that any
11 action, proposed action, or failure to act on the part of
12 the Secretary of State or the Secretary of Defense in
13 performing functions under this Act, is inconsistent with
14 the purpose and provisions of this Act, he shall consult
15 with the Secretary of State and the Secretary of Defense
16 as appropriate and, if differences of view are not ad-
17 justed by consultation, the matter shall be referred to
18 the President for final decision.

19 MEMBERSHIP IN OTHER AGENCIES

20 SEC. 504. (a) Section 4 (a) of Public Law 171,
21 Seventy-ninth Congress, as amended (59 Stat. 512), is
22 amended by striking out "Economic Cooperation Admin-
23 istration" and inserting in lieu thereof "Mutual Security
24 Administration" and by striking out "Administrator for

1 ~~Economic Cooperation~~” and inserting in lieu thereof “Mutual
2 Security Administrator”.

3 ~~(b)~~ Clause ~~(6)~~ of the fourth paragraph of section 101
4 ~~(a)~~ of Public Law 253, Eightieth Congress, as amended,
5 is hereby further amended by inserting after “Munitions
6 Board,” the following: “the Mutual Security Administrator
7 so long as the Mutual Security Administration shall con-
8 tinue to exist,”.

9

PUBLIC ADVISORY BOARDS

10 SEC. 505. ~~(a)~~ The Boards provided for by section
11 107 of the Economic Cooperation Act, as amended, and by
12 section 409 of the Act for International Development shall
13 advise and consult with the Mutual Security Administrator.

14 ~~(b)~~ The Administrator may appoint such other advisory
15 committees as he may determine to be necessary or desirable
16 to effectuate the purpose of this Act.

17

REGIONAL MUTUAL SECURITY REPRESENTATIVES

18 SEC. 506. ~~(a)~~ There shall be a United States Mutual
19 Security Representative in Europe who shall ~~(1)~~ be ap-
20 pointed by the President, by and with the advice and consent
21 of the Senate, ~~(2)~~ be entitled to receive the same compensa-
22 tion and allowances as a chief of mission, class 1, within the
23 meaning of the Act of August 13, 1946 (~~22 U. S. C. 801-~~
24 ~~1158~~), and ~~(3)~~ have the rank of ambassador extraordinary
25 and plenipotentiary. He shall be the representative of the

1 Administrator and receive his instructions from him, and such
2 instructions shall be prepared and transmitted to him in
3 accordance with procedures agreed to among the Adminis-
4 trator, the Secretary of State, and the Secretary of Defense
5 in order to assure appropriate coordination as provided by
6 section 503 of this title. He shall coordinate the activities
7 of the chiefs of such special missions provided for in section
8 507 of this title as may be placed under his jurisdiction by
9 the Administrator. He shall keep the Administrator, the
10 Secretary of State, the Secretary of Defense, the chiefs of the
11 United States diplomatic missions, and the chiefs of the
12 special missions provided for herein fully and currently in-
13 formed concerning his activities. He shall consult with the
14 chiefs of all such missions, who shall give him such coopera-
15 tion as he may require for the performance of his duties
16 under this title.

17 (b) There shall be a Deputy United States Mutual
18 Security Representative in Europe who shall (1) be ap-
19 pointed by the President, by and with the advice and con-
20 sent of the Senate; (2) be entitled to receive the same
21 compensation and allowances as a chief of mission, class 3,
22 within the meaning of the Act of August 13, 1946; and (3)
23 have the rank of ambassador extraordinary and plenipoten-
24 tiary. The Deputy shall perform such functions as the United
25 States Mutual Security Representative in Europe shall des-

1 ignate, and shall be Acting United States Mutual Security
2 Representative in Europe during the absence or disability, or,
3 in the event of a vacancy in the office, of the Representative.

4 (c) The Deputy United States Representative North
5 Atlantic Council and the United States Mutual Security
6 Representative in Europe shall keep each other fully and
7 currently informed concerning their activities.

8 (d) When necessary to carry out the purpose of this
9 Act, the President is authorized to appoint not more than
10 three additional Mutual Security Representatives for other
11 regions in accordance with the applicable provisions of sub-
12 section (a) of this section. Any Mutual Security Repre-
13 sentative appointed pursuant to this section shall be entitled
14 to receive the same rank, compensation, and allowances as
15 the highest ranking chief of any United States diplomatic
16 mission in the region.

17 SPECIAL MUTUAL SECURITY MISSIONS ABROAD

18 SEC. 507. (a) Except as provided in subsection (c)
19 of this section, the Administrator may establish in each coun-
20 try receiving assistance under this Act a special mutual se-
21 curity mission under the direction of a chief who shall be
22 responsible for assuring the performance within such country
23 of operations under this Act. The chief shall be appointed
24 by the Administrator, shall receive his instructions from the
25 Administrator, and shall report to the Administrator on the

1 performance of the duties assigned to him. The chief of the
2 special mission shall take rank immediately after the chief of
3 the United States diplomatic mission in such country; and
4 the chief of the special mission shall be entitled to receive
5 the same compensation and allowances as a chief of mission,
6 class 3, or a chief of mission, class 4, within the meaning
7 of the Act of August 13, 1946, or compensation and allow-
8 ances in accordance with section 501 (d) of this Act, as the
9 Administrator shall determine to be necessary or appropriate.

10 (b) The chief of the special mission shall keep the chief
11 of the United States diplomatic mission fully and currently
12 informed on matters, including prospective action, arising
13 within the scope of the operations of the special mission and
14 the chief of the diplomatic mission shall keep the chief of the
15 special mission fully and currently informed on matters rela-
16 tive to the conduct of the duties of the chief of the special
17 mission. The chief of the United States diplomatic mission
18 will be responsible for assuring that the operations of the
19 special mission are consistent with the foreign-policy objec-
20 tives of the United States in such country, and to that end
21 whenever the chief of the United States diplomatic mission
22 believes that any action, proposed action, or failure to act on
23 the part of the special mission is inconsistent with such
24 foreign-policy objectives, he shall so advise the chief of the
25 special mission and the United States Mutual Security

1 Representative. If differences of view are not adjusted by
2 consultation, the matter shall be referred to the Secretary of
3 State and the Administrator for decision.

4 (c) With the approval of the Secretary of State the
5 Administrator may, if he deems it appropriate, direct that
6 the functions of the chief or deputy chief of the special mission
7 in any country be assumed by the chief of the United States
8 diplomatic mission or any other member of the mission in that
9 country. The member of the mission so designated shall
10 report to the Administrator, and shall receive directions
11 from him, with respect to carrying out functions relating to
12 the purpose of this Act.

13 (4) The Secretary of State shall provide such office
14 space, facilities, and other administrative services for the
15 United States Mutual Security Representatives and their
16 staffs, and for each special mission, as may be agreed between
17 the Secretary of State and the Administrator.

18 (e) With respect to any of the zones of occupation of
19 Germany and of the Free Territory of Trieste, during the
20 period of occupation, the President shall make appropriate
21 administrative arrangements for the conduct of operations
22 under this title, in order to enable the Administrator to carry
23 out his responsibility to assure the accomplishment of the
24 purpose of this Act.

ELIGIBILITY FOR ASSISTANCE

1 ELIGIBILITY FOR ASSISTANCE
2 SEC. 508. (a) No military, economic, or technical as-
3 sistance (other than assistance provided under section 408
4 (e) of the Mutual Defense Assistance Act of 1949, as
5 amended) shall be supplied to any nation in order to further
6 military effort unless the President finds that the supply-
7 ing of such assistance will strengthen the security of the
8 United States and unless the recipient country has agreed to
9 join in promoting and maintaining world peace and to take
10 such action as may be mutually agreed upon to eliminate
11 causes of international tension. Such agreements shall in-
12 clude appropriate provisions for such country to—

13 (1) fulfill the military obligations which it has as-

14 (2) make, consistent with its political stability, the
15 treaties to which the United States is a party;

16 (2) make, consistent with its political stability, the
17 full contribution permitted by its manpower, re-
18 sources, facilities, and general economic condition to the
19 development and maintenance of its own defensive
20 strength and the defensive strength of the free world;
21 and

22 (3) adopt all reasonable military, economic, and
23 security measures which may be needed to develop its
24 defense capacities and to insure the effective utilization

1 of the economic and military assistance provided by the
2 United States.

3 (b) No economic or technical assistance shall be supplied
4 to any other nation unless the President finds that the
5 supplying of such assistance will strengthen the security of
6 the United States and promote world peace, and unless the
7 recipient country has agreed to join in promoting inter-
8 national understanding and good will, and maintaining world
9 peace, and to take such action as may be mutually agreed
10 upon to eliminate causes of international tension.

11 RESPONSIBILITIES OF SECRETARY OF DEFENSE

12 SEC. 509. In the case of aid under this Act for military
13 items and related technical assistance and advice, the Sec-
14 retary of Defense shall procure and furnish such military
15 items and related technical assistance and advice: *Provided,*
16 That the Secretary of Defense, after consultation with the
17 Joint Chiefs of Staff and the Administrator, shall determine
18 the priority in which military items shall be allocated. Not-
19 withstanding any other provision of law, during the fiscal
20 year 1952 the Secretary of Defense may furnish (with or
21 without reimbursement from the President) all or part of
22 such military items out of the materials of war whose pro-
23 duction in the United States shall have been authorized for,
24 and appropriated to, the Department of Defense: *Provided,*

1 *however*, That nothing in this Act shall authorize the furnish-
2 ing of military items under this section in excess of 11 per
3 centum of the aggregate dollar value of the materials of war
4 whose production in the United States shall have been
5 authorized for, and appropriated to, the Department of De-
6 fense for the three-year period beginning July 1, 1949.
7 For the purposes of this section, (1) "value" shall be deter-
8 mined in accordance with section 402 (c) of the Mutual
9 Defense Assistance Act of 1949, and (2) the term "mate-
10 rials of war" means those goods, commonly known as mili-
11 tary items, which are required for the performance of their
12 missions by armed forces of a nation, including weapons,
13 military vehicles, ships of war under fifteen hundred tons,
14 aircraft, military communications equipment, ammunition,
15 maintenance parts and spares, and military hardware.

16 **TERMINATION OF ASSISTANCE**

17 **SEC. 510 (a)** After June 30, 1954, or after the date
18 of the passage of a concurrent resolution by the two Houses
19 of Congress before such date, none of the authority conferred
20 on the Administrator by this Act may be exercised; except
21 that during the twelve months following such date commodi-
22 ties and services with respect to which the Administrator
23 had, prior to such date, authorized procurement for, ship-
24 ment to, or delivery in a participating country, may be trans-

1 ferred to such country, and funds appropriated under au-
2 thority of this Act may be obligated during such twelve-
3 month period for the necessary expenses of procurement,
4 shipment, delivery, and other activities essential to such
5 transfer and shall remain available during such period for
6 the necessary expenses of liquidating operations under this
7 Act: *Provided*, That nothing in this Act shall be deemed to
8 extend the period during which any powers under the Eco-
9 nomic Cooperation Act of 1948, as amended, may be exer-
10 cised beyond the date specified for its termination by section
11 122 of that Act.

12 (b) At such time as the President shall find appro-
13 priate after such date, and prior to the expiration of the
14 twelve months following such date, the powers, duties, and
15 authority of the Administrator under this Act may be trans-
16 ferred to such other departments, agencies, or establishments
17 of the Government as the President shall specify, and the
18 relevant funds, records, and personnel of the Administration
19 may be transferred to the departments, agencies, or estab-
20 lishments to which the related functions are transferred.

21 TERMINATION OF ASSISTANCE BY PRESIDENT

22 SEC. 511. If the President determines that the furnish-
23 ing of assistance to any nation—

(1) is no longer consistent with the national interest or security of the United States or the policies and purpose of this Act; or

(2) would contravene a decision of the Security Council of the United Nations; or

(3) would be inconsistent with the principle that members of the United Nations should refrain from giving assistance to any nation against which the Security Council or the General Assembly has recommended measures in case of a threat to, or breach of, the peace, or act of aggression,

he shall terminate all or part of any assistance furnished pursuant to this Act. The function conferred herein shall be in addition to all other functions heretofore conferred with respect to the termination of military, economic, or technical assistance.

EFFECTIVE DATE

SEC. 512. All provisions of this Act except subsections (a), (b), and (c) of section 502, and sections 615, 617 (3), and 618, shall take effect upon the date of its enactment. Subsections (a), (b), and (c) of section 502, and sections 615, 617 (3), and 618 shall take effect on such date, not more than sixty days after the date the Administrator first appointed takes office, as the President shall prescribe.

THE SECRETARY OF STATE

SEC. 513. Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

TITLE VI—GENERAL PROVISIONS

SEC. 601. In order to carry out the purpose of this Act, with respect to those countries eligible to receive assistance as provided herein, funds shall be available as authorized and appropriated to the President each fiscal year.

SEC. 602. Whenever the President determines it to be necessary for the purpose of this Act, not to exceed 10 per centum of the funds made available under any title of this Act may be transferred to and consolidated with funds made available under any other title of this Act in order to furnish, to a different area, assistance of the kind for which such funds were available before transfer. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives. In the case of the transfer of funds available for military purposes, he shall also forthwith notify the Committees on Armed Services of the Senate and House of Representatives.

SEC. 603. In order to promote the increased production,

1 in areas covered by this Act, of materials in which the
2 United States is deficient, there are hereby authorized to
3 be appropriated to the President for the fiscal year 1952
4 not to exceed \$55,000,000 to be used pursuant to the author-
5 ity contained in the Economic Cooperation Act of 1948, as
6 amended (22 U. S. C. 1501-1522).

7 SEC. 604. The Administrator shall require all countries
8 participating in any United States aid program or in any
9 international organization receiving United States aid to so
10 deposit, segregate, or assure title to all funds or property
11 allocated to or derived from any program so that the same
12 shall not be subject to garnishment, attachment, seizure, or
13 other legal process by any person, firm, agency, corporation,
14 organization, or government.

15 SEC. 605. (a) In order to bring about the availability
16 of international resources to further the purpose of this Act
17 and to reduce requirements for assistance under this Act,
18 the Administrator shall ascertain through the National Ad-
19 visory Council on International Monetary and Financial
20 Problems whether there can be established, and to make
21 recommendations to the Congress on the establishment of,
22 organizations or corporations affiliated with the International
23 Bank for Reconstruction and Development to assist in financ-
24 ing, where adequate financing is not otherwise available on

1 reasonable terms, essential public works and productive enter-
 2 prises in economically underdeveloped areas.

3 (b) The Administrator is requested to recommend to the
 4 Congress such action as will in his judgment be desirable
 5 to eliminate the barriers to, and provide incentives for, a
 6 steadily increased participation of private enterprise in de-
 7 veloping the resources of foreign countries consistent with
 8 the policies of this Act. The Secretary of State is requested
 9 to undertake, after consultation with the Administrator and
 10 the Secretary of the Treasury, negotiations with the repre-
 11 sentatives of foreign governments looking to the early removal
 12 of such obstacles and barriers as now exist to the maximum
 13 participation of private enterprise in such development.

14 SEC. 606. (a) As used in this section—

15 (1) the term “invention” means an invention or
 16 discovery covered by a patent issued by the United
 17 States; and

18 (2) the term “information” means information
 19 originated by or peculiarly within the knowledge of the
 20 owner thereof and those in privity with him, which is
 21 not available to the public and is subject to protection
 22 as property under recognized legal principles.

23 (b) Whenever, in connection with the furnishing of
 24 any assistance in furtherance of the purpose of this Act—

1 ~~(1)~~ use within the United States, without authori-
2 zation by the owner, shall be made of an invention, or

3 ~~(2)~~ damage to the owner shall result from the dis-
4 closure of information by reason of acts of the United
5 States or its officers or employees,

6 the exclusive remedy of the owner of such invention or
7 information shall be by suit against the United States in the
8 Court of Claims or in the district court of the United States in
9 which such owner is a resident for reasonable and entire com-
10 pensation for unauthorized use or disclosure. In any such suit
11 the United States may avail itself of any and all defenses,
12 general or special, that might be pleaded by any defendant in
13 a like action.

14 ~~(c)~~ Before such suit against the United States has been
15 instituted, the head of the appropriate department or agency
16 of the Government, which has furnished any assistance
17 in furtherance of the purpose of this Act, is authorized and
18 empowered to enter into an agreement with the claimant,
19 in full settlement and compromise of any claim against the
20 United States hereunder.

21 ~~(d)~~ This section shall not confer a right of action on
22 anyone or his successor or assignee who, when he makes
23 such a claim, is in the employment or service of the United
24 States, or who, while in the employment or service of the

1 United States, discovered, invented, or developed any inven-
2 tion or information on which such claim is based.

3 ~~(c)~~ Except as otherwise provided by law, no recovery
4 shall be had for any infringement of a patent committed
5 more than six years prior to the filing of the complaint or
6 counterclaim for infringement in the action, except that the
7 period between the date of receipt by the Government of a
8 written claim under subsection ~~(c)~~ above for compensa-
9 tion for infringement of a patent and the date of mailing by
10 the Government of a notice to the claimant that his claim
11 has been denied shall not be counted as part of the six years,
12 unless suit is brought before the last-mentioned date.

13 SEC. 607. Notwithstanding any of the provisions of the
14 Defense Production Act of 1950, as amended—

15 (1) The Administrator shall have responsibility for
16 representing, before the authorities in the executive
17 branch of the Government charged with the administra-
18 tion of title I of such Act, the needs of all countries
19 receiving assistance under this Act, and of such other
20 countries as the President may direct, for United States
21 commodities and facilities.

22 ~~(2)~~ Whenever allocations under such Act of United
23 States commodities and facilities for foreign countries re-
24 ceiving assistance under this Act, and for foreign assist-
25 ance programs in such countries, are made on an

1 over-all, and not on a country-by-country, basis, the
2 Administrator shall have the authority and responsibility
3 of apportioning, among such countries, the United States
4 commodities and facilities so allocated.

5 SEC. 608. The President, from time to time while funds
6 appropriated for the purpose of this Act continue to be
7 available for obligation, shall transmit to the Congress, in
8 lieu of any reports otherwise required by law, reports cover-
9 ing each six months of operations in furtherance of the pur-
10 pose of this Act, except information the disclosure of which
11 he deems incompatible with the security of the United States.
12 The first such report shall cover the six-month period com-
13 mencing on the date this Act becomes effective. Reports
14 provided for under this section shall be transmitted to the
15 Secretary of the Senate or the Clerk of the House of Repre-
16 sentatives, as the case may be, if the Senate or the House of
17 Representatives, as the case may be, is not in session.

18 SEC. 609. (a) Upon a determination by the Admin-
19 istrator that it will further the purpose of this Act, not to
20 exceed \$10,000,000 of the funds made available pursuant
21 to section 203 of this Act and not to exceed \$25,000,000
22 of funds made available pursuant to section 302 of this Act
23 may be advanced to countries covered by said sections in
24 return for equivalent amounts of the currency of such coun-
25 tries being made available to meet local currency needs of

1 the aid programs in such countries pursuant to agreements
2 made in advance with the United States: *Provided*, That
3 except when otherwise prescribed by the Administrator
4 as necessary to the effective accomplishment of the aid pro-
5 grams in such countries, all funds so advanced shall be held
6 under procedures set out in such agreements until used to pay
7 for goods and services approved by the United States or
8 until repaid to the United States for reimbursement to the
9 appropriation from which drawn.

10 (b) In order to assist in carrying out the provisions of
11 the Economic Cooperation Act of 1948, as amended, not
12 to exceed \$50,000,000 of funds made available under the
13 authority of this Act for assistance pursuant to the pro-
14 visions of the Economic Cooperation Act of 1948, as
15 amended (22 U. S. C. 1501-1522), may be used to acquire
16 local currency for the purpose of increasing the production
17 of materials in which the United States is deficient.

18 SEC. 610. Funds realized from the sales of notes pur-
19 suant to section 111 (e) (2) of the Economic Cooperation
20 Act of 1948, as amended, shall be available for making
21 guaranties of investments in accordance with the applicable
22 provisions of sections 111 (b) (3) and 111 (e) (2) of the
23 Economic Cooperation Act, as amended, in any area in
24 which assistance is authorized by this Act.

25 SEC. 611. Funds made available for carrying out the

1 provisions of title I of this Act shall be available for the
2 administrative expenses of carrying out the purposes of all
3 of the titles of this Act, including expenses incident to United
4 States participation in international security organizations
5 and expenses in the United States in connection with pro-
6 grams authorized under the Act for International Develop-
7 ment. Any currency of any nation received by the United
8 States for its own use in connection with assistance furnished
9 by the United States may be used by any agency of the
10 Government without reimbursement from any appropriation
11 for the administrative and operating expenses of carrying out
12 the purpose of this Act. Funds made available for carrying
13 out the purpose of this Act in the Federal Republic of Ger-
14 many may, as authorized in subsection 114 (h) of the
15 Economic Cooperation Act of 1948, as amended (22 U. S. C.
16 1512 (h)), be transferred by the President to any depart-
17 ment or agency for the expenses necessary to meet the
18 responsibilities and obligations of the United States in the
19 Federal Republic of Germany.

20 SEC. 612. The Economic Cooperation Act of 1948, as
21 amended (22 U. S. C. 1501-1522), is hereby amended as
22 follows:

23 (1) In section 111 (c) by adding a new paragraph
24 as follows:

25 “(3) From the funds made available under au-

1 thority of the Mutual Security Act of 1951 for assistance
 2 to be provided under the applicable provisions of the
 3 Economic Cooperation Act of 1948, as amended (22
 4 U. S. C. 1501-1522), not less than 20 per centum shall
 5 be provided on credit terms as specified in that Act."

6 (2) In section 115 (b) (6) by—

7 (A) inserting in the second proviso thereof after
 8 "wealth" the following: "for the encouragement of emi-
 9 gration pursuant to subsection (c) of this section";

10 (B) adding in the last clause of the second proviso
 11 "and operating" after "administrative";

12 (C) striking from the last clause of the second
 13 proviso "within such country"; and

14 (D) adding at the end thereof the following new
 15 sentences: "The Administrator shall exercise the power
 16 granted to him by this paragraph to make agreements
 17 with respect to the use of the funds deposited in the
 18 special accounts of the 'participating countries' (as de-
 19 fined in section 103 (a) hereof) in such a manner that
 20 the equivalent of not less than \$500,000,000 of such
 21 funds shall be used exclusively for military production in
 22 such 'participating countries'. The amount to be de-
 23 voted from each such special account for such use shall
 24 be agreed upon by the Administrator and the country
 25 or countries concerned".

1 SEC. 613. ~~(a)~~ Section 402 of the Mutual Defense
2 Assistance Act of 1949, as amended (~~22 U. S. C. 1573~~), is
3 hereby amended by striking out the period at the end thereof
4 and inserting in lieu thereof a semicolon and the following:

5 “~~(e)~~ Guarantees by such eligible nation that it will
6 not undertake any act of aggression against any other
7 state;

8 “~~(f)~~ Guarantees by the eligible nation that it will
9 notify the United States whenever it ceases to use any
10 equipment or material furnished to it under this Act
11 ~~(other than equipment or material furnished under terms~~
12 ~~requiring the nation to reimburse the United States in~~
13 ~~full therefor)~~ for the purposes of this Act and that it will
14 transfer title to, and possession of, such equipment or
15 material to the United States ~~(1)~~ for return to the
16 continental United States for salvage or scrap, or ~~(2)~~
17 for such other disposition as the President shall deem to
18 be in the interest of the United States.”

19 ~~(b)~~ Section 408 ~~(c)~~ of the Mutual Defense Assistance
20 Act of 1949, as amended (~~22 U. S. C. 1580~~), is hereby
21 amended by adding in the first proviso thereof, after the
22 words “of which it is a part”, the words “or in United
23 Nations collective security arrangements and measures”,
24 and by changing the figure at the end thereof to
25 \$500,000,000”.

1 SEC. 614. The proviso in the first sentence of section
2 403 (d) of the Mutual Defense Assistance Act of 1949, as
3 amended (22 U. S. C. 1574 (d)), is hereby amended to
4 read as follows: "*Provided*, That after June 30, 1950, such
5 limitation shall be increased by \$250,000,000 and after
6 June 30, 1951, by an additional \$450,000,000".

7 SEC. 615. Section 104, subsections (b) and (c) of sec-
8 tion 105, and sections 108 through 110 of the Economic
9 Cooperation Act of 1948, as amended, are hereby repealed.

10 SEC. 616. (a) In order to effectuate the purpose of sec-
11 tion 136 of the Legislative Reorganization Act of 1946, as
12 amended, the Committee on Foreign Affairs of the House of
13 Representatives is authorized to appoint and, in accordance
14 with the provisions of that Act, fix the compensation of such
15 professional and clerical personnel, in addition to those au-
16 thorized by existing law, as may be necessary to enable the
17 committee to oversee the performance by the executive agen-
18 cies concerned of their duties, responsibilities, and functions
19 under this Act in the interest of an efficient and economical
20 administration of this Act.

21 (b) There are hereby authorized to be appropriated
22 such sums as may be necessary to carry out the provisions
23 of this section, to be disbursed by the Clerk of the House of
24 Representatives on vouchers signed by the chairman.

25 (c) In every country where local currency is made

1 available for local currency expenses of the United States in
2 connection with assistance furnished by the United States,
3 the local currency administrative and operating expenses
4 incurred in fulfilling the purpose of this section shall be
5 charged to such local currency funds to the extent available.

6 SEC. 617. The Act for International Development is
7 amended as follows:

8 (1) By adding before the period at the end of section
9 404 (b) the following: “: *Provided*, That for the fiscal year
10 ending June 30, 1952, such contributions from funds made
11 available under authority of sections 101 (a) (2), 203, 302,
12 and 402 of the Mutual Security Act of 1951 shall not exceed
13 in the aggregate \$13,000,000, and the use of such contribu-
14 tions shall not be limited to the area covered by the section
15 of the Act from which the funds are drawn”.

16 (2) By adding at the end of section 407 a new para-
17 graph:

18 “(d) Participating countries shall be encouraged to
19 negotiate agreements with the United Nations and its special-
20 ized agencies, or otherwise, to establish for labor standards
21 of wages and working conditions and management-labor
22 relations.”

23 (3) By repealing sections 413 and 414.

24 SEC. 618. The Institute of Inter-American Affairs Act
25 is amended as follows:

1 ~~(1)~~ By striking out "Department of State" wherever it
2 occurs in section 5 and inserting in lieu thereof "Mutual
3 Security Administration"; and

4 ~~(2)~~ By amending section 8 to read as follows:

5 SEC. 8. The Mutual Security Administrator shall have
6 authority to detail employees of the Mutual Security Admin-
7 istration to the Institute under such circumstances and upon
8 such conditions as he may determine, and the Secretary of
9 State, upon the request of the Mutual Security Administrator,
10 may detail employees of the Department of State to the
11 Institute: *Provided*, That any such employee so detailed shall
12 not lose any privileges, rights, or seniority as an employee
13 of the Government by virtue of such detail."

14 *That this Act may be cited as the "Mutual Security Act of*
15 *1951".*

16 SEC. 2. (a) *The Congress declares it to be the purpose of*
17 *this Act to maintain the security and to promote the foreign*
18 *policy of the United States by authorizing military, economic,*
19 *and technical assistance to friendly countries to strengthen*
20 *the mutual security and individual and collective defenses of*
21 *the free world, to develop their resources in the interest of*
22 *their security and independence and the national interest*
23 *of the United States and to facilitate the effective participa-*
24 *tion of those countries in the United Nations system for col-*
25 *lective security. The purposes of the Mutual Defense Assist-*

1 *ance Act of 1949, as amended (22 U. S. C. 1571-1604),*
2 *the Economic Cooperation Act of 1948, as amended (22*
3 *U. S. C. 1501-1522), and the Act for International De-*
4 *velopment (22 U. S. C. 1557) shall hereafter be deemed*
5 *to include this purpose.*

6 *(b) It is hereby declared to be the policy of the Con-*
7 *gress, that, to the extent that it is readily feasible and does*
8 *not interfere with the achievement of the purposes set forth*
9 *in subsection (a), the assistance authorized by title I of this*
10 *Act shall be provided in such a way as (1) to discourage*
11 *the cartel and monopolistic practices prevailing in European*
12 *business which result in restricting production and increasing*
13 *prices, and to encourage where suitable competition and pro-*
14 *ductivity, and (2) to encourage where suitable the develop-*
15 *ment and strengthening of the free labor union movements*
16 *of Europe as the collective bargaining agencies of European*
17 *labor.*

18 *TITLE I—EUROPE*

19 *SEC. 101. (a) In order to support the freedom of Europe*
20 *through assistance which will further the carrying out of the*
21 *plans for defense of the North Atlantic area, while at the*
22 *same time maintaining the economic stability of the countries*
23 *of the area so that they may meet their responsibilities for*
24 *defense, and to further encourage the economic unification and*
25 *the political federation of Europe, there are hereby authorized*

1 to be appropriated to the President for the fiscal year 1952
2 for carrying out the provisions and accomplishing the policies
3 and purpose of this Act—

4 (1) not to exceed \$5,006,350,000 for assistance
5 pursuant to the provisions of the Mutual Defense Assist-
6 ance Act of 1949, as amended (22 U. S. C. 1571-
7 1604), for countries which are parties to the North
8 Atlantic Treaty and for any country of Europe (other
9 than a country covered by another title of this Act),
10 which the President determines to be of direct importance
11 to the defense of the North Atlantic area and whose in-
12 creased ability to defend itself the President determines
13 is important to the preservation of the peace and security
14 of the North Atlantic area and to the security of the
15 United States and not to exceed \$100,000,000 of such
16 appropriation for any selected persons who are residing
17 in or escapees from the Soviet Union, Poland, Czecho-
18 slovakia, Hungary, Rumania, Bulgaria, Albania, Lith-
19 uania, Latvia, and Estonia, or the Communist dominated
20 or occupied areas of Germany and Austria, and any other
21 countries absorbed by the Soviet Union either to form such
22 persons into elements of the military forces supporting the
23 North Atlantic Treaty Organization or for other purposes,
24 when it is similarly determined by the President that such

1 *assistance will contribute to the defense of the North*
2 *Atlantic area and to the security of the United States.*
3 *In addition, unexpended balances of appropriations here-*
4 *tofore made for carrying out the purposes of the Mutual*
5 *Defense Assistance Act of 1949, as amended, through*
6 *assistance to any of the countries covered by this para-*
7 *graph are hereby authorized to be continued available*
8 *through June 30, 1952, and to be consolidated with the*
9 *appropriation authorized by this paragraph. The*
10 *amount of funds made available pursuant to this para-*
11 *graph which may be utilized for purposes other than*
12 *assistance to countries which are parties to the North*
13 *Atlantic Treaty shall not exceed 10 per centum of the*
14 *amount made available (excluding balances of prior ap-*
15 *propriations continued available) under this paragraph.*

16 *(2) not to exceed \$880,500,000 for assistance*
17 *pursuant to the provisions of the Economic Cooperation*
18 *Act of 1948, as amended (22 U. S. C. 1501-1522)*
19 *(including assistance to further European military pro-*
20 *duction), for any country of Europe covered by para-*
21 *graph (1) of this subsection and for any other country*
22 *covered by section 103 (a) of the said Economic Coop-*
23 *eration Act of 1948, as amended. In addition, unex-*
24 *pended balances of appropriations heretofore made for*

1 *carrying out the purposes of the Economic Cooperation*
2 *Act of 1948, as amended, are hereby authorized to be*
3 *continued available through June 30, 1952, and to be*
4 *consolidated with the appropriation authorized by this*
5 *paragraph: Provided, That not to exceed \$10,000,000*
6 *of the funds made available pursuant to this paragraph*
7 *may be utilized to effectuate the purposes of section 115*
8 *(e) of the Economic Cooperation Act of 1948, as*
9 *amended.*

10 *(b) Not to exceed 5 per centum of the total of the ap-*
11 *propriations granted pursuant to this section may be trans-*
12 *ferred, when determined by the President to be necessary*
13 *for the purpose of this Act, between appropriations granted*
14 *pursuant to either paragraph of subsection (a): Provided,*
15 *That the amount herein authorized to be transferred shall be*
16 *determined without reference to any balances of prior appro-*
17 *priations continued available pursuant to this section: Pro-*
18 *vided further, That, whenever the President makes any such*
19 *determination, he shall forthwith notify the Committee on*
20 *Foreign Relations of the Senate, the Committee on Foreign*
21 *Affairs of the House of Representatives, and the Committees*
22 *on Armed Services of the Senate and of the House of Rep-*
23 *resentatives.*

1 *TITLE II—NEAR EAST AND AFRICA*

2 *SEC. 201. In order to further the purpose of this Act*
3 *by continuing to provide military assistance to Greece, Tur-*
4 *key, and Iran, there are hereby authorized to be appropri-*
5 *ated to the President for the fiscal year 1952, not to exceed*
6 *\$396,250,000 for furnishing assistance to Greece and Tur-*
7 *key pursuant to the provisions of the Act of May 22, 1947,*
8 *as amended (22 U. S. C. 1401-1410), and for furnishing*
9 *assistance to Iran pursuant to the provisions of the Mutual*
10 *Defense Assistance Act of 1949, as amended (22 U. S. C.*
11 *1571-1604). In addition, unexpended balances of appro-*
12 *priations heretofore made for assistance to Greece and Tur-*
13 *key, available for the fiscal year 1951, pursuant to the*
14 *Act of May 22, 1947, as amended, and for assistance to*
15 *Iran pursuant to the Mutual Defense Assistance Act of 1949,*
16 *as amended, are hereby authorized to be continued available*
17 *through June 30, 1952, and to be consolidated with the ap-*
18 *propriation authorized by this section.*

19 *SEC. 202. Whenever the President determines that such*
20 *action is essential for the purpose of this Act, he may provide*
21 *assistance, pursuant to the provisions of the Mutual Defense*
22 *Assistance Act of 1949, as amended, to any country of the*
23 *Near East area (other than those covered by section 201)*

1 and may utilize not to exceed 10 per centum of the amount
2 made available (excluding balances of prior appropriations
3 continued available) pursuant to section 201 of this Act:
4 Provided, That any such assistance may be furnished only
5 upon determination by the President that (1) the strategic
6 location of the recipient country makes it of direct importance
7 to the defense of the Near East area, (2) such assistance is
8 of critical importance to the defense of the free nations, and
9 (3) the immediately increased ability of the recipient country
10 to defend itself is important to the preservation of the peace
11 and security of the area and to the security of the United
12 States.

13 SEC. 203. In order to further the purpose of this Act in
14 Africa and the Near East, there are hereby authorized to be
15 appropriated to the President, for the fiscal year 1952, not
16 to exceed \$160,000,000 for economic and technical assist-
17 ance in Africa and the Near East in areas other than those
18 covered by section 103 (a) of the Economic Cooperation Act
19 of 1948, as amended (22 U. S. C. 1502). Funds appro-
20 priated pursuant to this section shall be available under the
21 applicable provisions of the Economic Cooperation Act of
22 1948, as amended (22 U. S. C. 1501-1522), and of the
23 Act for International Development (22 U. S. C. 1557).

24 SEC. 204. Not to exceed \$50,000,000 of the funds author-
25 ized under section 203 hereof may be contributed to the United

1 Nations during the fiscal year 1952, for the purposes, and
2 under the provisions, of the United Nations Palestine Refugee
3 Aid Act of 1950 (22 U. S. C. 1556): Provided, That,
4 whenever the President shall determine that it would more
5 effectively contribute to the purposes of the said United
6 Nations Palestine Refugee Aid Act of 1950, he may allocate
7 any part of such funds to any agency of the United States
8 Government to be utilized in furtherance of the purposes of
9 said Act, and any amount so allocated shall be a part of the
10 United States contribution to the United Nations Relief and
11 Works Agency for Palestine Refugees in the Near East.

12 SEC. 205. In order to assist in the relief of refugees
13 coming into Israel, not to exceed \$50,000,000 of the funds
14 authorized under section 203 hereof may be utilized during
15 the fiscal year 1952, under such terms and conditions as the
16 President may prescribe, for specific refugee relief and resettlement projects in Israel.

18 TITLE III—ASIA AND PACIFIC

19 SEC. 301. In order to carry out in the general area of
20 China (including the Republic of the Philippines and the
21 Republic of Korea) the provisions of subsection (a) of
22 section 303 of the Mutual Defense Assistance Act of 1949,
23 as amended (22 U. S. C. 1604 (a)), there are hereby
24 authorized to be appropriated to the President for the fiscal
25 year 1952, not to exceed \$535,250,000. In addition, un-

1 expended balances of appropriations heretofore made for
2 carrying out the provisions of title III of the Mutual Defense
3 Assistance Act of 1949, as amended (22 U. S. C. 1602-
4 1604), are hereby authorized to be continued available
5 through June 30, 1952, and to be consolidated with the
6 appropriation authorized by this section. Not to exceed
7 \$50,000,000 of funds appropriated pursuant to this section
8 (excluding balances of appropriations continued available)
9 may be accounted for as provided in subsection (a) of said
10 section 303.

11 *SEC. 302. (a)* In order to further the purpose of this
12 Act through the strengthening of the area covered in section
13 301 of this Act (but not including the Republic of Korea),
14 there are hereby authorized to be appropriated to the Presi-
15 dent, for the fiscal year 1952, not to exceed \$178,750,000
16 for economic and technical assistance in those portions of
17 such area which the President deems to be not under Com-
18 munist control. Funds appropriated pursuant to authority
19 of this section shall be available under the applicable pro-
20 visions of the Economic Cooperation Act of 1948, as
21 amended (22 U. S. C. 1501-1522), and of the Act for Inter-
22 national Development (22 U. S. C. 1557). In addition,
23 unexpended balances of funds heretofore made available for
24 carrying out the purposes of the China Area Aid Act of
25 1950 (22 U. S. C. 1547), are hereby authorized to be con-

1 *tinued available through June 30, 1952, and to be con-*
2 *solidated with the appropriation authorized by this section.*

3 *(b) The third proviso of section 202 of the China Area*
4 *Aid Act of 1950 is amended by inserting "and of Korea"*
5 *after "selected citizens of China" the first time it appears*
6 *therein.*

7 *SEC. 303. (a) In order to provide for a United States*
8 *contribution to the United Nations Korean Reconstruction*
9 *Agency, established by the resolution of the General As-*
10 *sembly of the United Nations of December 1, 1950, there are*
11 *hereby authorized to be appropriated to the President not*
12 *to exceed \$69,750,000. In addition, unobligated balances*
13 *of the appropriations heretofore made, and available during*
14 *the fiscal year 1951, for assistance to Korea under authority*
15 *of the Far Eastern Economic Assistance Act of 1950, as*
16 *amended (22 U. S. C. 1543, 1551, 1552), are hereby*
17 *authorized to be continued available through June 30, 1952,*
18 *and to be consolidated with the appropriation authorized*
19 *by this section. Not to exceed 50 per centum of the total*
20 *of the appropriations authorized by this section may, when*
21 *determined by the President to be necessary for the purposes*
22 *of this Act, be transferred to and consolidated with the*
23 *appropriation authorized by paragraph 302 (a).*

24 *(b) The sums made available pursuant to subsection*
25 *(a) may be contributed from time to time on behalf of the*

1 *United States in such amounts as the President determines to*
2 *be appropriate to support those functions of the United*
3 *Nations Korean Reconstruction Agency which the military*
4 *situation in Korea permits the Agency to undertake pursuant*
5 *to arrangements between the Agency and the United Nations*
6 *Unified Command. The aggregate amount which may be*
7 *contributed on behalf of the United States pursuant to the*
8 *preceding sentence shall be reduced by the value of goods*
9 *and services made available to Korea by any department or*
10 *agency of the United States for relief and economic assist-*
11 *ance after the assumption of responsibility for relief and*
12 *rehabilitation operations in Korea by the United Nations*
13 *Korean Reconstruction Agency.*

14 (c) *The provisions of subsections 304 (a) and (b) of*
15 *the United Nations Palestine Refugee Aid Act of 1950 (22*
16 *U. S. C. 1556 (b) are hereby made applicable with respect*
17 *to Korean assistance furnished under this section.*

18 (d) *Unencumbered balances of sums heretofore or here-*
19 *after deposited in the special account established pursuant*
20 *to paragraph (2) of article V of the agreement of December*
21 *10, 1948, between the United States of America and the*
22 *Republic of Korea (62 Stat., part 3, 3788) shall be used*
23 *in Korea for such purposes as the President determines to*
24 *be consistent with United Nations programs for assistance*

1 to Korea and as may be agreed to between the Government
2 of the United States and the Republic of Korea.

3 (e) The functions of the Administrator for Economic
4 Cooperation under the provisions of section 3 of the Far
5 Eastern Economic Assistance Act of 1950, as amended (22
6 U. S. C. 1551), shall hereafter be performed by such de-
7 partments or agencies of the Government as the President
8 shall direct.

9 TITLE IV—AMERICAN REPUBLICS

10 SEC. 401. In order to further the purpose of this Act
11 through the furnishing of military assistance to the other
12 American Republics, there are hereby authorized to be ap-
13 propriated to the President, for the fiscal year 1952, not to
14 exceed \$38,150,000 for carrying out the purposes of this
15 section under the provisions of the Mutual Defense Assistance
16 Act of 1949, as amended: Provided, That such assistance
17 may be furnished only in accordance with defense plans which
18 are found by the President to require the recipient country
19 to participate in missions important to the defense of the
20 Western Hemisphere. Any such assistance shall be subject
21 to agreements, as provided herein and as required by section
22 402 of the Mutual Defense Assistance Act of 1949, as
23 amended (22 U. S. C. 1573), designed to assure that the
24 assistance will be used to promote the defense of the Western

1 *Hemisphere; and after agreement by the Government of the*
2 *United States and the country concerned with respect to such*
3 *missions, military assistance hereunder shall be furnished*
4 *only in accordance with such agreement.*

5 *SEC. 402. In order to further the purpose of this Act*
6 *among the peoples of the American Republics through the*
7 *furnishing of technical assistance, there are hereby author-*
8 *ized to be appropriated to the President, for the fiscal year*
9 *1952, not to exceed \$21,250,000 for assistance under the*
10 *provisions of the Act for International Development (22*
11 *U. S. C. 1557) and of the Institute of Inter-American*
12 *Affairs Act, as amended (22 U. S. C. 281).*

13 *TITLE V—GENERAL PROVISIONS*

14 *COORDINATION OF ACTIVITIES*

15 *SEC. 501. (a) Responsibility for the coordination of*
16 *activities of, or resolution of conflicts among, the various*
17 *departments and agencies of the Government exercising func-*
18 *tions under this Act shall be in the Executive Office of the*
19 *President. No person may serve in any office, or on any*
20 *board established for the purpose of advising the President*
21 *on such matters while at the same time he is an officer or*
22 *employee of any other department or agency of the Govern-*
23 *ment. Any person or persons appointed to such office or to*
24 *serve as a member of such board shall be appointed by the*
25 *President, by and with the advice and consent of the Senate.*

1 (b) For the purpose of carrying out the provisions of
2 this section the President is authorized to utilize the positions
3 created in subsection 406 (e) of the Mutual Defense Assist-
4 ance Act of 1949, as amended.

5 SEC. 502. The President shall prescribe appropriate
6 procedures to assure coordination among representatives of
7 the United States Government in each country, under the
8 leadership of the Chief of the United States Diplomatic
9 Mission.

10 ELIGIBILITY FOR ASSISTANCE

11 SEC. 503. (a) No military, economic, or technical
12 assistance authorized pursuant to this Act (other than assist-
13 ance provided under section 408 (e) of the Mutual Defense
14 Assistance Act of 1949, as amended) shall be supplied to
15 any nation in order to further military effort unless the
16 President finds that the supplying of such assistance will
17 strengthen the security of the United States and unless the
18 recipient country has agreed to—

19 (1) join in promoting international understanding
20 and good will, and maintaining world peace;

21 (2) take such action as may be mutually agreed
22 upon to eliminate causes of international tension;

23 (3) fulfill the military obligations which it has as-
24 sumed under multilateral or bilateral agreements or
25 treaties to which the United States is a party;

1 (4) make, consistent with its political and economic
2 stability, the full contribution permitted by its manpower,
3 resources, facilities, and general economic condition to
4 the development and maintenance of its own defensive
5 strength and the defensive strength of the free world;

6 (5) take all reasonable measures which may be
7 needed to develop its defense capacities; and

8 (6) take appropriate steps to insure the effective
9 utilization of the economic and military assistance pro-
10 vided by the United States.

11 (b) No economic or technical assistance shall be sup-
12 plied to any other nation unless the President finds that the
13 supplying of such assistance will strengthen the security of
14 the United States and promote world peace, and unless the
15 recipient country has agreed to join in promoting inter-
16 national understanding and good will, and in maintaining
17 world peace, and to take such action as may be mutually
18 agreed upon to eliminate causes of international tension.

19 RESPONSIBILITIES OF SECRETARY OF DEFENSE

20 SEC. 504. In the case of aid under this Act for military
21 items and related technical assistance and advice, the Sec-
22 retary of Defense shall have primary responsibility and
23 authority for—

24 (a) the determination of military end-item require-
25 ments;

1 (b) the procurement of military equipment in a
2 manner which permits its integration with service
3 programs;

4 (c) establishment of priorities in procurement and
5 deliveries, the allocation of military equipment and the
6 apportionment of funds between services and countries
7 within each area specified in the Act:

8 (d) the supervision of end-item use by the recipient
9 countries;

10 (e) the supervision of the training of foreign mili-
11 tary personnel; and

12 (f) the movement and delivery of military end items.

13 TERMINATION OF ASSISTANCE

14 SEC. 505. (a) After June 30, 1954, or after the date
15 of the passage of a concurrent resolution by the two Houses
16 of Congress before such date, none of the authority conferred
17 by the Mutual Defense Assistance Act of 1949, as amended
18 (22 U. S. C. 1571-1604) may be exercised; except that
19 during the twelve months following such date equipment,
20 materials, commodities, and services with respect to which
21 procurement for, shipment to, or delivery in a recipient
22 country had been authorized prior to such date, may be trans-
23 ferred to such country, and funds appropriated under author-
24 ity of this Act may be obligated during such twelve-month
25 period for the necessary expenses of procurement, shipment,

1 delivery, and other activities essential to such transfer and
2 shall remain available during such period for the necessary
3 expenses of liquidating operations under this Act.

4 (b) At such time as the President shall find appropriate
5 after such date, and prior to the expiration of the twelve
6 months following such date, the powers, duties, and authority
7 conferred by the Mutual Defense Assistance Act of 1949, as
8 amended, may be transferred for the purpose of liquidation
9 to such other departments, agencies, or establishments of the
10 Government as the President shall specify, and the relevant
11 funds, records, property and personnel may be transferred to
12 the departments, agencies, or establishments to which the
13 related functions are transferred.

14 (c) On or before March 30, 1952, the President shall
15 submit to the Congress a reorganization plan under the Re-
16 organization Act of 1949 (5 U. S. C. 133z) abolishing the
17 Economic Cooperation Administration and transferring such
18 of the powers and functions conferred upon the Adminis-
19 trator by the Economic Cooperation Act of 1948, as amended,
20 as are necessary to carry out the purposes of the Mutual
21 Security Act of 1951, to such other agency, or agencies, of
22 the Government, as appropriate, and the powers and functions
23 so transferred shall, notwithstanding the provisions of section
24 122 of the Economic Cooperation Act of 1948, as amended,

1 continue until July 1, 1954, unless terminated earlier by
2 concurrent resolution of the two Houses of Congress. The
3 liquidation provisions of section 122 of the Economic Coop-
4 eration Act of 1948, as amended, shall become effective on
5 July 1, 1954, or the effective date of such concurrent resolu-
6 tion, whichever is earlier, and be administered by the agency or
7 agencies to which any such power or function is transferred.

8 TERMINATION OF ASSISTANCE BY PRESIDENT

9 SEC. 506. The President shall terminate all or part of
10 any assistance furnished pursuant to this Act under any of
11 the following circumstances:

12 (a) If requested by any nation to which assistance
13 is being rendered;

14 (b) If the President determines that the furnishing
15 of assistance to any nation is no longer consistent with
16 the national interest or security of the United States or
17 the policies and purposes of this Act; or

18 (c) If the President determines that provision of
19 assistance would contravene any decision of the Security
20 Council of the United Nations, or if the President other-
21 wise determines that provision of assistance to any nation
22 would be inconsistent with the obligation of the United
23 States under the Charter of the United Nations to refrain
24 from giving assistance to any nation against which the

1 *United Nations is taking preventive or enforcement action*
2 *or in respect of which the General Assembly finds the*
3 *continuance of such assistance is undesirable.*

4 The function conferred herein shall be in addition to all
5 other functions heretofore conferred with respect to the
6 termination of military, economic, or technical assistance.

7 *EFFECTIVE DATE*

8 *SEC. 507. All provisions of this Act except section 503*
9 *shall take effect upon the date of its enactment. Such section*
10 *shall take effect ninety days thereafter.*

11 *SEC. 509. In order to promote the increased production,*
12 *in areas covered by this Act, of materials in which the United*
13 *States is deficient, not to exceed \$55,000,000 of the funds*
14 *authorized to be appropriated pursuant to section 101 (a)*
15 *(2) of this Act may be used pursuant to the authority con-*
16 *tained in the Economic Cooperation Act of 1948, as amended*
17 *(22 U. S. C. 1501-1522).*

18 *SEC. 510. (a) As used in this section—*

19 (1) the term “invention” means an invention or
20 discovery covered by a patent issued by the United States,
21 and

22 (2) the term "information" means information
23 originated by or peculiarly within the knowledge of
24 the owner thereof and those in privity with him, which

1 is not available to the public and is subject to protection
2 as property under recognized legal principles.

3 (b) Whenever, in connection with the furnishing of any
4 assistance in furtherance of the purpose of this Act—

5 (1) use within the United States, without authori-
6 zation by the owner, shall be made of an invention, or

7 (2) damage to the owner shall result from the dis-
8 closure of information by reason of acts of the United
9 States or its officers or employees,

10 the exclusive remedy of the owner of such invention or
11 information shall be by suit against the United States in
12 the Court of Claims or in the District Court of the United
13 States for the district in which such owner is a resident for
14 reasonable and entire compensation for unauthorized use or
15 disclosure. In any such suit the United States may avail
16 itself of any and all defenses, general or special, that might
17 be pleaded by any defendant in a like action.

18 (c) Before such suit against the United States has been
19 instituted, the head of the appropriate department or agency
20 of the Government, which has furnished any assistance in
21 furtherance of the purpose of this Act, is authorized and em-
22 powered to enter into an agreement with the claimant, in full
23 settlement and compromise of any claim against the United
24 States hereunder.

1 (d) *Except as otherwise provided by law, no recovery*
2 *shall be had for any infringement of a patent committed*
3 *more than six years prior to the filing of the complaint or*
4 *counterclaim for infringement in the action, except that the*
5 *period between the date of receipt by the Government of a*
6 *written claim under subsection (c) above for compensa-*
7 *tion for infringement of a patent and the date of mailing by*
8 *the Government of a notice to the claimant that his claim*
9 *has been denied shall not be counted as part of the six years,*
10 *unless suit is brought before the last-mentioned date.*

11 SEC. 511. *The President, from time to time while funds*
12 *appropriated for the purpose of this Act continue to be*
13 *available for obligation, shall transmit to the Congress, in*
14 *lieu of any reports otherwise required by laws continued in*
15 *effect by this Act, reports covering each six months of opera-*
16 *tions in furtherance of the purpose of this Act, except infor-*
17 *mation the disclosure of which he deems incompatible with the*
18 *security of the United States. The first such report shall*
19 *cover the six-month period commencing on the date this Act*
20 *becomes effective. Reports provided for under this section*
21 *shall be transmitted to the Secretary of the Senate or the*
22 *Clerk of the House of Representatives, as the case may be,*
23 *if the Senate or the House of Representatives, as the case*
24 *may be, is not in session.*

25 SEC. 512. (a) *Upon a determination by the President*

1 *that it will further the purpose of this Act, not to exceed*
2 *\$10,000,000 of the funds made available pursuant to sec-*
3 *tion 203 of this Act and not to exceed \$25,000,000 of funds*
4 *made available pursuant to section 302 of this Act may be*
5 *advanced to countries covered by said sections in return for*
6 *equivalent amounts of the currency of such countries being*
7 *made available to meet local currency needs of the aid pro-*
8 *grams in such countries pursuant to agreements made in*
9 *advance with the United States: Provided, That except when*
10 *otherwise prescribed by the President as necessary to the*
11 *effective accomplishment of the aid programs in such countries,*
12 *all funds so advanced shall be held under procedures set out*
13 *in such agreements until used to pay for goods and services*
14 *approved by the United States or until repaid to the United*
15 *States for reimbursement to the appropriation from which*
16 *drawn.*

17 *(b) In order to assist in carrying out the provisions of*
18 *the Economic Cooperation Act of 1948, as amended, not*
19 *to exceed \$50,000,000 of funds made available under the*
20 *authority of this Act for assistance pursuant to the pro-*
21 *visions of the Economic Cooperation Act of 1948, as amended*
22 *(22 U. S. C. 1501-1522), may be used to acquire local*
23 *currency for the purpose of increasing the production of*
24 *materials in which the United States is deficient.*

25 *SEC. 513. Funds realized from the sales of notes pur-*

1 suant to section 111 (c) (2) of the Economic Cooperation
2 Act of 1948, as amended, shall be available for making
3 guaranties of investments in accordance with the applicable
4 provisions of sections 111 (b) (3) and 111 (c) (2) of the
5 Economic Cooperation Act, as amended, in any area in
6 which assistance is authorized by this Act.

7 SEC. 514. Funds made available for carrying out the
8 provisions of title I of this Act shall be available for the
9 administrative expenses of carrying out the purposes of all
10 of the titles of this Act, including expenses incident to United
11 States participation in international security organizations
12 and expenses in the United States in connection with pro-
13 grams authorized under the Act for International Develop-
14 ment. Any currency of any nation received by the United
15 States for its own use in connection with assistance furnished
16 by the United States may be used by any agency of the
17 Government without reimbursement from any appropriation
18 for the administrative and operating expenses of carrying out
19 the purpose of this Act. Funds made available for carrying
20 out the purpose of this Act in the Federal Republic of Ger-
21 many may, as authorized in subsection 114 (h) of the
22 Economic Cooperation Act of 1948, as amended (22 U. S. C.
23 1512 (h)), be transferred by the President to any depart-
24 ment or agency for the expenses necessary to meet the

1 responsibilities and obligations of the United States in the
2 Federal Republic of Germany.

3 SEC. 515. Section 115 (b) (6) of the Economic Coop-
4 eration Act of 1948, as amended (22 U. S. C. 1513 (b)
5 (6)), is hereby amended by—

6 (a) inserting in the second proviso thereof after
7 “wealth” the following: “for the encouragement of
8 emigration pursuant to subsection (e) of this section”;

9 (b) adding in the last clause of the second proviso
10 “and operating” after “administrative”;

11 (c) striking from the last clause of the second pro-
12 viso “within such country”;

13 (d) substituting in the fourth proviso the words
14 “upon termination of assistance to such country under
15 this Act” in place of the words “on June 30, 1952”; and

16 (e) adding at the end thereof the following new
17 sentences: “The Administrator shall exercise the power
18 granted to him by this paragraph to make agreements
19 with respect to the use of the funds deposited in the special
20 accounts of the countries receiving assistance under the
21 Mutual Defense Assistance Act of 1949, as amended,
22 in such a manner that the equivalent of not less than
23 \$500,000,000 of such funds shall be used exclusively
24 for military production, construction, equipment, and

1 *matériel in such countries. The amount to be devoted*
2 *from each such special account for such use shall be*
3 *agreed upon by the Administrator and the country or*
4 *countries concerned."*

5 *SEC. 516. (a) The President shall make appropriate*
6 *arrangements with each nation receiving equipment or ma-*
7 *terial under the Mutual Defense Assistance Act of 1949, as*
8 *amended (other than equipment or material furnished under*
9 *terms requiring the nation to reimburse the United States*
10 *in full therefor), for the return to the United States (1) for*
11 *salvage or scrap, or (2) for such other disposition as the*
12 *President shall deem to be in the interest of mutual security,*
13 *of any of such equipment or material as is no longer re-*
14 *quired for the purposes for which originally made available.*

15 *(b) Section 408 (e) of the Mutual Defense Assistance*
16 *Act of 1949, as amended (22 U. S. C. 1580), is hereby*
17 *amended by adding in the first proviso thereof, after the*
18 *words "of which it is a part", the words "or in United*
19 *Nations collective security arrangements and measures", and*
20 *by changing the figure at the end of such section 408 (e) to*
21 *"\$500,000,000".*

22 *SEC. 517. The proviso in the first sentence of section*
23 *403 (d) of the Mutual Defense Assistance Act of 1949, as*
24 *amended (22 U. S. C. 1574 (d)), is hereby amended to*
25 *read as follows: "Provided, That after June 30, 1950, such*

1 limitation shall be increased by \$250,000,000 and after
2 June 30, 1951, by an additional \$150,000,000".

3 SEC. 518. (a) The Act for International Development
4 is amended by adding before the period at the end of section
5 404 (b) the following: ": Provided, That for the fiscal year
6 ending June 30, 1952, such contributions from funds made
7 available under authority of sections 101 (a) (2), 203, 302,
8 and 402 of the Mutual Security Act of 1951 shall not exceed
9 in the aggregate \$13,000,000, and the use of such contribu-
10 tions shall not be limited to the area covered by the section
11 of the Act from which the funds are drawn".

12 (b) Section 414 of such Act is amended to read as
13 follows: 510

14 "SEC. 414. No citizen or resident of the United States,
15 whether or not now in the employ of the Government, may
16 be employed or assigned to duties by the Government under
17 this Act for a period to exceed three months until such indi-
18 vidual has been investigated by the Civil Service Commis-
19 sion and a report has been made to the Secretary of State:
20 Provided, however, That in the event the Civil Service Com-
21 mission discovers evidence of disloyalty or that the indi-
22 vidual may be a security risk the matter will then be referred
23 to the Federal Bureau of Investigation for a full field inves-
24 tigation: Provided further, That no such individual may be
25 employed or assigned to duties by the Government under this

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Peters

X4109

Attest: RALPH R. ROBERTS,
Clerk.

Attest: LESLIE L. BIFFLE,
Secretary.

82^d CONGRESS
1ST Session

H. R. 5113

AN ACT

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

IN THE SENATE OF THE UNITED STATES

August 31 (legislative day, August 27), 1951

Ordered to be printed with the amendment of the Senate

Article entitled "FBI Seizes Seven Isl. Reds," published in the Honolulu Star-Bulletin of August 28, 1951, regarding infiltration of Communists into the Hawaiian Islands.

By Mr. KEM:

Editorial entitled "Our Vindictive Little Man," from the Chattanooga (Tenn.) News-Free Press of July 30, 1951.

By Mr. MARTIN:

Editorial entitled "Gromyko's Back," published in the Harrisburg (Pa.) Patriot of August 29, 1951.

By Mr. BREWSTER:

Address on the subject Our Country, delivered by Capt. Eddie Rickenbacker, president and general manager of Eastern Airlines, Inc., following a pageant staged by Karem Temple, A. JONMS, in Tyler, Tex., on June 29, 1951.

Editorial entitled "Wanted: More Faith and Less Fear," published in the Portland (Maine) Press-Herald of August 15, 1951.

By Mr. WATKINS:

Article entitled "Ify Soviet Trade Ban Is Victory for Truman," written by Earl Richert and published in the Washington Daily News of August 29, 1951.

By Mr. MUNDT:

Editorial entitled "The Moral Weakness of United States Leadership," published in the Daily Plainsman of Huron, S. Dak., on August 20, 1951.

MUTUAL SECURITY ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

The VICE PRESIDENT. The Senate is operating today under a unanimous-consent agreement to limit debate, and the Chair cannot recognize any Senators except those in charge of the time.

Mr. DIRKSEN. Mr. President, is the bill open to amendment?

The VICE PRESIDENT. The bill is open to amendment. There is one substitute, which is regarded for purpose of amendment as the original bill. The substitute is subject to amendment.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DIRKSEN. As I understand, if the substitute for the bill is adopted, that will preclude any amendments being offered to the bill?

The VICE PRESIDENT. That is correct. If there are any amendments to be offered, they should be offered before the substitute is adopted.

Mr. DIRKSEN. Mr. President, I call up and ask to have stated amendment C, offered by myself and the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Idaho [Mr. WELKER], the Senator from Nebraska [Mr. WHERRY], the Senator from Nevada [Mr. MALONE], the Senators from South Dakota [Mr. MUNDT and Mr. CASE], the Senator from Delaware [Mr. WILLIAMS], the Senator from Kansas [Mr. SCHOEPEL], the Senator from Ohio [Mr. TAFT], the Senator from Idaho [Mr. DWORSHAK], the Senator from Maryland [Mr. BUTLER], the Senator from Utah [Mr. WATKINS], the Senator from Ohio [Mr. BRICKER], and the Senator from Missouri [Mr. KEM]. I also ask

unanimous consent that the time not run on the amendment until after the quorum call has been completed.

The VICE PRESIDENT. On page 45, line 17, it is proposed to strike out "\$1,130,500,000" and insert in lieu thereof "\$630,500,000."

The VICE PRESIDENT. Without objection, the time will not run on the amendment until the quorum call has been completed.

Does the Senator from Arizona make a point of no quorum?

Mr. MCFARLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	McFarland
Bennett	Green	McKellar
Benton	Hayden	McMahon
Brewster	Hendrickson	Millikin
Bricker	Hennings	Moody
Bridges	Hill	Morse
Butler, Md.	Hoey	Mundt
Butler, Nebr.	Holland	Murray
Byrd	Humphrey	Nixon
Capehart	Eunt	O'Mahoney
Carlson	Ives	Pastore
Case	Johnson, Colo.	Robertson
Chavez	Johnson, Tex.	Russell
Clements	Johnston, S. C.	Schoeppel
Connally	Kefauver	Smathers
Cordon	Kem	Smith, Maine
Dirksen	Kerr	Stennis
Douglas	Kilgore	Taft
Duff	Langer	Thye
Dworshak	Lehman	Underwood
Eastland	Long	Watkins
Eaton	Magnuson	Welker
Ellender	Martin	Wherry
Frear	Maybank	Williams
George	McCarthy	Young

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from Maryland [Mr. O'CONNOR] is absent because of a death in his family.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The VICE PRESIDENT. A quorum is present.

Mr. DIRKSEN. Mr. President, the amendment which has been offered is a very simple amendment. I doubt very much that it needs sustained elucidation on my part. I am rather inclined to the Old Testament admonition:

Let your communication be, Yea, yea; Nay, nay: for whatsoever is more than these cometh of evil.

I know that I have erred often against that admonition, but I shall try to compress my remarks today and to assign my reasons for feeling that a \$500,000,000 cut in economic aid should be supported by the Senate.

Let me point out that the amendment is sponsored by 16 Members of the Senate. It would reduce economic aid, insofar as Europe is concerned, by \$500,000,000. I have not sought to cut aid under the other titles of the bill, and there is a reason for it.

First, let us consider the provisions for economic aid for Africa and the Near East. The Near East and Africa would get \$87,500,000. Asia would get \$262,500,000. There is only a very small amount so far as the South American countries are concerned. If there is any disposition to cut aid in the other titles, it can be done by separate amendment.

Inasmuch as the preponderance of military allocations in the bill are devoted to Europe, it occurs to me that the \$500,000,000 should be taken from the amounts which have been set apart for European economic aid.

Over-all, the total amount of economic aid in the bill as reported to the Senate is about \$1,500,000,000. Roughly, \$1,100,000,000 is for Europe. The committee cut \$659,000,000 from the original request, leaving \$1,522,000,000.

As I indicated, I could assign perhaps a score of reasons for agreeing to the amendment, but I shall content myself with stating only a few of them. I believe that if anyone goes to the trouble of examining the supporting data in connection with the bill he will discover that there is still a good-sized amount of money left in the bill available for expenditure over and above that which is included in the bill, namely, some unexpended balances.

I notice in the staff report and statistical table that \$718,000,000 is available, which has neither been committed nor obligated. That amount is available for economic aid. That figure will be found on page 2 of the staff report memoran-

dom which accompanies the bill. I notice also in the breakdown table that there is available, from prior appropriations, \$1,500,000,000, or a little more. I understand from those who made some endeavor to get these figures together, so that at least they would make a sensible pattern, that it was one of the most difficult jobs they had ever undertaken. Needless to say, there is unexpended money from prior appropriations, not committed, and not obligated, which is available for expenditure in 1952. I believe I can say that the fund will build up into 1952.

It becomes an open invitation, of course, to perpetuate an agency like the ECA, notwithstanding the fact that it was the intent of Congress that there should be a precise termination date. I believe I can speak with authority on that subject, because I remember that when the Marshall plan was first considered by Congress in 1948—and I do not mind saying so to the Senate, and I say it with modesty—there was a disposition on the part of my party in 1948 to cut a billion dollars from the initial appropriation. I recall that around 2 o'clock in the morning on the last night of the first session of the Eighty-first Congress a real effort was made to make a very deep cut. I resisted it to the end, because I wanted the administration at least to be given a full opportunity to make good on the program. That position was sustained, and in the first year of operation ECA received virtually everything they had requested. In other words, they could not ascribe failure to any other force or cause, in case they did fail.

Mr. President, we have come to the point, I believe, where we must think seriously about the liquidation of this whole undertaking. Since there are available balances in addition to the funds which are carried in the bill, ample funds are at hand to do whatever job needs to be done.

Mr. ROBERTSON and Mr. CASE addressed the Chair.

Mr. DIRKSEN. I trust the Senators will not press their request that I yield, because I wish to proceed with my remarks in a *seriatim* fashion. However, I yield, Mr. President. First I yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, the cut the Senator from Illinois proposes is limited to the rehabilitation fund, is it not?

Mr. DIRKSEN. Yes, it is limited to the over-all fund which is assigned to Europe, which is a lump-sum fund. The cut I propose does not touch the military-aid item.

Mr. ROBERTSON. Will the cut affect the military aid?

Mr. DIRKSEN. No it does not touch the military aid.

Mr. ROBERTSON. I thank the Senator.

Mr. CASE. Mr. President—

Mr. DIRKSEN. Mr. President, I yield to my friend, the Senator from South Dakota.

Mr. CASE. Let me say that I recall very well the position of the Senator from Illinois in connection with the orig-

inal implementation of the so-called Marshall plan. However, the Senator will recall that even though the authorization and appropriation were made in substantially the amount requested, the Appropriations Committee insisted on making the funds available for expenditure over a period of 15 months, instead of 12 months.

Mr. DIRKSEN. That is correct.

Mr. CASE. And we found, despite all the cries of terror and fright at the time when that was proposed, that at the end of the year the money had lasted for 15 months, and there still remained a balance, whereas originally it was thought that it would be necessary to have all of the money available during a period of 12 months.

Mr. DIRKSEN. That is correct.

Mr. CASE. Despite that, after 15 months had passed, they had funds left and they were able to state that their objectives had been achieved.

Mr. DIRKSEN. Yes, I think the Senator from South Dakota accurately states the case.

Mr. President, the second reason which I advance in favor of the adoption of my amendment is that if the economic aid had not been successful by this time, there would have to be some real and sustained doubt as to whether belaboring it with further funds would make it successful in the future.

I think we should remember that every billion dollars we lay out for foreign aid is equivalent to \$6.50 for every man, woman, and child in this country; and if the fund we provide is \$10,000,000,000, it amounts to \$65 for every man, woman, and child in this country. Mr. President, the time has come, I think, for us to appraise the financial ability of America, in light of the armament burden upon us.

From the report I understand that the ECA indicates a very substantial gain in agricultural production and industrial production in the recipient countries. If that be true, it seems to me that the needs of ECA for that purpose should diminish in direct ratio; and it occurs to me that if we eliminate \$500,000,000, the residue, together with the unexpended balances, will be adequate for all purposes.

The third reason which I advance in favor of the adoption of my amendment is that I think the time has come to liquidate. This plan was intended as a 4-year plan, and we should now set liquidation in motion. Congress intended, when the plan was adopted, that there should be a termination date. If this program continues, I think we shall tend to develop in the world a kind of complex whereby these countries will become perpetual pensioners.

In that connection, Mr. President, I recall my visit to Greece in 1945. I met with the Prime Minister of Greece and most of the members of the Greek Parliament and other officials. I remember a very distinguished gentleman in Athens, who said to me, "Mr. Congressman, we have developed over here what we call the occupational complex."

I said, "You will have to explain that to me."

He said, "It is like this: First we were invaded and occupied by the Italians. Subsequently we were invaded and occupied by the Bulgars. Later we were invaded and occupied by the Germans; and subsequently we were occupied by the British, and subsequently by the Americans. We have been occupied for so long that we have lost all sense of national self-reliance, and now we depend entirely for guidance and for direction upon those who come here and, in uniform, have the authority to direct the affairs of our nation. That has developed what I am pleased to call an occupational complex."

Mr. President, I wonder whether it is possible finally to develop a pensioner complex in the world if we are so free and easy with our funds and if we long pursue the mania which we have pursued in previous years.

Furthermore, there is a possibility, it seems to me, that if this program continues too long with a very substantial amount of money, ultimately we shall reach the point where new plans will be set up; and before we get through they will become more or less perpetual.

I saw the statement by Mr. Foster and some of his associates in the ECA, not so long ago. They now have an idea that perhaps they have not quite met their objective in one sphere, namely, that the aid which has been tendered has not reached down to the grass roots.

In the period of time when I was sojourning in and doing some official work in Europe and elsewhere, I developed considerable fan mail, and today I get correspondence from there. Those who write to me point out the same thing. My answer is, what have they done with the \$11,000,000,000 which was made available under the Marshall plan, if after more than 3½ years of endeavor they say that in one particular they have failed, namely, they did not get down to the grass roots.

That seems to me to be rather strange, indeed. Perhaps there is something to it; but that should be all the more reason why the program should be cut off before we undertake a new work and make this a permanent endeavor.

I think I have somewhere in my notes a quotation from a friend of mine who used to be in the Press Gallery in this Chamber—Roscoe Drummond, who for a long period of time represented the Christian Science Monitor in Washington. He is presently chief of the ECA Information Division, in Europe; and he is carried on the ECA payroll at \$13,500 a year. I have before me here the payroll for all of the Marshall-plan employees in Washington and elsewhere.

This is what Roscoe Drummond said very recently:

The fruits of the Marshall plan, particularly in France and Italy, have not been passed on either to the worker or the consumer in the form of higher wages or lower prices or in distribution of the tax burden. Europe can meet increased defense production; but unless the fruits of this increased productivity are better distributed, the European worker will have little incentive to increase his productivity. To provide these incentives is the ECA's unfinished business.

In the words of Job, I simply ask, "How long, O Lord, how long?"—because if after 3½ years and the expenditure of billions of dollars the head of the Information Division of ECA, a man of repute, a man of character, a man who was most circumspect in the accuracy of the statements he made when he was covering Washington for a great newspaper, will make such a statement, it becomes something of a confession of failure.

I do not want to go along with that sort of thing and have them attempt to set up this program with a different approach, and make it permanent.

The next reason I would assign for the adoption of the amendment I propose is that, frankly, I have become a little weary of what, for want of a better term, I say—and I do not say it harshly—is the fakery of this sort of thing. I remember when I was engaged with my esteemed predecessor, who was my friend, and still is my friend, notwithstanding the election results in Illinois. I remember that he would go up and down the State and would talk about the Marshall plan, and then, with sonorous rhetoric, he would say, "And it is cheaper than war."

Then, Mr. President, all of a sudden we got a war into the bargain.

So I wonder about the clichés that are uttered here today. I think it is time to get to the heart of the matter.

I wonder whether, with all our money and all our passion for this plan, we are going to develop good will in the rest of the world. We shall develop good will if we are strong.

In this connection I think of India. I recall the emotionalism in this Chamber when we made available \$190,000,000, in the form of loans and otherwise, so that wheat might be transferred to India, where there were so many starving people. Incidentally, Mr. President, I was in India when 2,000,000 people died of starvation in Bengal Province, of which Calcutta is the capital. Starvation is nothing new in India. I am willing to help, but such help is not like casting bread upon the waters; it does not come back with grace, as was testified to rather recently by the sharp note which was dispatched by our State Department to India because India does not wish to play the game under what seem to be the obligations in the sisterhood of nations.

Thus far I cannot say that this economic program will stop the Reds, particularly. I hope it will. But as I look at France, for instance, I become a little realistic. What were the last election returns in a republic which had a great destiny and a fine glory behind it, both as empire and as republic? More people turned out and voted the Red ticket in France in the last election than theretofore, even though they lost some seats in the Chamber of Deputies. But the popular Communist vote was larger. So, I begin to wonder whether, in an hour of trial and challenge, they are going to be in our corner, or whether 5,000,000 people who have solemnly indicated by marking a ballot that their sentiments are on the Red side are probably going to sabotage what we intend to do over there. Is that the favor, is that the reward for the billions of dollars we have already spent in France?

I think the time has come to be realistic. In my opinion, one of the best estimates which have been made was that made by former President Hoover in the address which he delivered to the country on the 20th of December, last year. In it he pointed out in some detail and put his finger on the spot. He said, "The will and the spirit are not yet manifest." I do not know that we build the will and spirit by a lavish outpouring of American funds.

When we look at Britain, what do we find? Here is Aneurin Bevan, now leading the liberal labor group and contesting with the Attlee government. An anti-American peace crusade is under way there at the present time. Frankly, I think the American people are becoming a little sick and tired of doling out money to keep a lavish, paternalistic, socialistic system going for people who are unwilling to make the sacrifices which we have a right to expect them to make.

Is that the fruit of the billions of dollars in loan value and in money we have so freely doled out? I am not going to charge my own country with that kind of responsibility, but I think it becomes our solemn duty to say to these people, "Now, look. We want a manifestation, we want an evidence of your spirit, of your good will, of your determination that you are going to be in our corner; and, until that time comes, we are going to cut this thing off and liquidate this agency, and then, when you come along with a better representation of spirit that appeals to the American people, we will reexamine the premises to see what shall be done."

Mr. LONG. Mr. President, will the Senator yield.

Mr. DIRKSEN. I yield to the Senator from Louisiana.

Mr. LONG. As I understand, the Senator is speaking to an amendment to reduce economic aid to Europe by about a half billion dollars.

Mr. DIRKSEN. That is correct.

Mr. LONG. I am sure the Senator realizes that this program was worked out to tie more economic aid in with military aid, and that most of the economic aid was for the purpose of encouraging these nations to produce more weapons and more tools, and to give them various machine tools and things of that sort, so they could produce equipment which could probably be produced cheaper in those nations than it could be produced here and shipped to them. It would seem to me that we are going to have to face the necessity of cutting some of the military items, if we are to materially reduce this bill. I wonder what the Senator's view is on that phase of the subject.

Mr. DIRKSEN. What have they done in all these years? Has there been a sense of urgency over there? Why did they not get busy with the money we have made available up to this time? Where is the evidence that they are going to get their armament plants started? If something is necessary, I am sure that the line between economic and military aid is such that if it properly comes within the sphere of defense, it will offer no difficulty.

Mr. President, the next reason I would assign is that, after a program such as this gets going for a while, it is rather strange—

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. Yes; I yield to my friend from Kansas.

Mr. CARLSON. I should like to know whether I understand the Senator correctly, to the effect that we have a carry-over of \$700,000,000 in these funds.

Mr. DIRKSEN. The staff report will show that there is \$718,000,000, as I recall, that was both unexpended and uncommitted, and there are additional funds which will be available for expenditure in 1952.

Mr. CARLSON. Then if we vote the authorization called for by this bill, there should be available approximately \$1,700,000,000. Is that correct?

Mr. DIRKSEN. That is correct, and that should be ample for all purposes, it would seem to me.

Mr. CARLSON. Mr. President, if the Senator will yield further, I, as one Member of the Senate, sincerely hope we can come to the place, and soon, where we can begin to eliminate some of these plans and programs. I think it is time to close up the Marshall plan and the ECA. If I read the report of the committee correctly, we are to combine economic aid with military aid. If I had my way, as one Member of this body, I would turn this program over to the military. I would give the military these funds, with the understanding that they would use them in the building of factories and in the building of defense equipment, rather than in carrying on the domestic economy. In my opinion, to do otherwise is unsound, and I think we ought to do as I have suggested.

Mr. DIRKSEN. The next reason I would assign is that with an agency like this, which operates in the foreign field, sooner or later peculiar personnel, in the sense that they have a peculiar viewpoint, finally get into it, and that situation makes me very unhappy. I do not charge the whole ECA operation with being filled with people who do not express the American viewpoint. I am sure that Mr. Foster is a typical American, but there are others who get into it.

Within the past few days, I see that Thomas C. Blaisdell, Jr., has been sent abroad at \$50 a day for the purpose of sitting on a board which will allocate strategic materials between the foreign countries. Who is Mr. Blaisdell? He was in the Department of Commerce. He is the man, it will be remembered, who defended William Remington. I am not going to put the finger on Mr. Blaisdell. I simply say that I do not like his viewpoint. When a man defends Mr. Remington, after the testimony which was available to Congress, he does not quite measure up to my requirements, at least, of one who articulates and expresses the kind of viewpoint I want to see disseminated abroad. Either Mr. Remington was a knave or he was a fool—a man who had a Dartmouth education, who could sit on a stool in a drugstore in Washington, and testify before the committee, and say, naively,

"Well, maybe my guard was down," as he talked to Mrs. Bentley. It seems to me to be a waste of money and of confidence to have a man like that in the service, and then, when his defender comes along, and his boss, I do not want him in it, either. I do not say he is a bad person. I simply say he is not "for my money." And I do not think he is for the taxpayers' money in this country.

One other man has been put on recently. I wish my colleague from Illinois were present, because he may have an interest in the matter. I learned recently that a gentleman by the name of Maynard Clare Krueger has been put on the Marshall-plan payroll. I became very curious. I wanted to be sure of the facts, and so I sent a note to ECA. I received a reply on August 10, which I am going to read into the RECORD:

ECONOMIC COOPERATION
ADMINISTRATION,

Washington, D. C., August 10, 1951.

HON. EVERETT MCKINLEY DIRKSEN,
United States Senate,

Washington, D. C.

DEAR SENATOR DIRKSEN: I am happy to give you the information concerning Mr. Maynard Krueger that you requested in your letter of August 3, 1951.

At the present time Mr. Krueger holds an appointment as a consultant at the rate of \$45 per day when actually employed. In this position he is called upon to render special advice and consultation on the technical-assistance program in Southeastern Asia. He received his appointment on June 14, 1951, and he has worked intermittently since that time.

Although we have had Mr. Krueger under consideration for various other positions, we have not made a definite commitment to him for another position as yet. However, we expect we may be able to do so very shortly and will keep you advised.

Sincerely yours,

PAUL R. PORTER,
Acting Deputy Administrator.

Who is Mr. Krueger? From Who's Who, I read:

Krueger, Maynard Clare: Educator, born in Clark County, Mo., January 6, 1906, son of Frederick Carl and Nell Caroline Hoewing Krueger.

Bachelor of arts, University of Missouri, 1926; master of arts, 1927. Graduate, University of Berlin, Germany, Paris, France, Geneva, Switzerland.

Pennsylvania and Chicago, 1925.

In 1930 married Elsie Clara Gesperich, August 25, 1934. Children, Karon, Linda, Susan.

Instructor in rural school, 1922-23.

Instructor in history, Albion College, Albion, Mich., 1927-28.

Instructor in economics, University of Pennsylvania, 1928-32; assistant professor of economics, University of Chicago, 1932-1947; associate professor since 1947.

Candidate for Vice President, 1940; national chairman, Socialist Party, 1942-46.

Home, 5317 University Avenue; office, University of Chicago, Chicago, Ill.

Mr. Krueger has taken over where Norman Thomas left off. Now, I do not say that Mr. Krueger is not a fine citizen. I merely say that, since he is the official representative of the Socialist Party and he pursues a Socialist viewpoint, I doubt very much whether he is the man to go abroad to Asia and to Africa and elsewhere, there to portray

to illiterate people and to others what the spirit and the direction and the philosophy of America are because his views are different from mine, certainly, and I think, from those who do not embrace the Socialist cause. That, perhaps, presents a difficult situation, and I am sorry for it, but I must lift my voice, because I shall not willingly, wittingly, or consciously lend myself to the taking of a dollar out of the American Treasury to pay \$45 a day to a consultant who, as the whole country knows, has embraced the socialistic doctrine. That is not unlike the doctrine in Great Britain today. How many more persons are there in ECA who have embraced that doctrine? I do not know. I do not intend to make a blanket charge. I only know whatever the documents show. If there are any more, I simply want to say I do not like it, and I do not want them to carry the American standard abroad, because they are not going to carry it as we in the Congress and the taxpayers would have it carried.

Another reason why I think this \$500,000,000 reduction should be approved by the Senate is that I believe the time has come to set ourselves against the crisis cry. It seems to me—and I say this to my old friend from Kansas [Mr. CARLSON], with whom I served for 10 years in the House—there was not a month when we were not confronted with some social or political crisis in all the years since 1933.

Mr. President, the Senate was in session until 6 minutes before midnight last night, and I stayed long enough to get the tenor of a great many of the addresses. With what passion, with what fervor, it was said that this money must be furnished, that it is world-shaking in its import.

It is strange that the crisis is advanced and presented to us just about the time when it becomes necessary to vote for money. It is strange that the crisis cry suddenly hits the blue just about the time of a political campaign.

Well, Mr. President, I have become a little punch drunk because of the crises about which I so frequently hear; I am becoming a little wearied about so much guesswork and some of the false assurances that this is the road to peace, or that is the road to peace; that here lies the road to stability; that there is the avenue to salvation. When it is all over, suddenly we come up with a great sense of frustration and a burden of futility, because it was not the road, after all.

Mr. President, I am becoming increasingly concerned about the solvency of America because, if it fails, the whole world will fail. In England, France, Germany, and Austria leaders used to take me by the lapel and say, "In God's name, let nothing happen to the solvency of America because, if it fails, all fails, and the hope and the light of the world will go out." I think I could refresh myself from the notebooks I carry and name many names of leaders who saw that the hope of the world lay in the solvency of America.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CARLSON. I was interested in some figures in regard to our tax collections. The total tax collections from 1789 to June 30, 1945—156½ years—were as follows:

The Federal Government collected, and spent, of course, \$248,348,394.590, but from May 1, 1945, to June 30, 1951—6½ years—the Government collected and spent \$260,417,309.430. In other words, in 6½ years we spent more by \$12,000,000,000 than we had spent in 156½ years. Surely this cannot continue.

Mr. DIRKSEN. Let me say to my friend from Kansas that I wonder if there is a finite mind under the canopy of heaven that can grasp the astronomical figures with which we deal today. I served for 12 years on the Appropriations Committee of the House, but I have no adequate concept of what a billion dollars is. How can we express it? We can express it in terms of the number of youngsters who can be educated or the number of schoolhouses that we can build for a million dollars apiece, but it is still in the stratosphere.

Mr. CARLSON. As the Senator from Illinois knows, it was my privilege to serve on the Ways and Means Committee for 10 years. Here we are with the Senate Finance Committee grappling with a tax bill of \$10,000,000,000. When we get through there will be a \$20,000,000,000 deficit, despite the new tax burdens, and a total debt of from two hundred and sixty to two hundred and seventy-five billion dollars. We are punch drunk; we are just not thinking.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Vermont.

Mr. AIKEN. To help the Senator from Illinois to realize how much a billion dollars is, it is what \$300,000,000 used to be.

Mr. DIRKSEN. I suppose so. I remember addressing a meeting sometime last year. I confessed the complete inadequacy of my mind to sense how much a billion dollars was. I received a letter from an old man who said, "I will tell you what a billion dollars is. Look at your watch; look at the second hand as that hand goes around every second, every minute, every hour, every day, every night, every week, every month, every year, and in 33 years the second hand will have ticked a billion times."

How much is a billion? I do not know, and I do not believe anyone in this body or in Government has a conception of what a billion dollars really is. I do know that it is painful and anguishful to sweat it out of the American people, and the time has come to have some regard for them and for the solvency of our economy as we put larger and larger burdens upon them. But we must not be deluded and taken down some fallacious avenue of emotionalism of which we have heard so much. It seems to me that "give-away" has become a mania. It is astonishing, I say to my friend from Vermont, what a strange passion has grown up in the country that the checkbook is a cure for every problem, foreign and domestic. I do not share that idea, because the progress

we have made so far does not support and justify that kind of a theory.

If there were a sense of urgency on the part of the people in Europe it would be another thing. Senators have gone over there and have returned, and I have talked with some of them. Many of our people go abroad, but they cannot sense in the air the emotion of urgency, that there is some great, almost indefinable danger in Europe today. They do not sense it. For that reason, the people over there are not so given to the program as we are in this country. If the situation is as dangerous as we are led to believe it is, it is time they awakened and that there be a more lively interest on their part. First of all, this is their show. America will survive, in my judgment. The day I embrace the defeatist gospel and say that the life of America hangs in the balance, the situation will have to be much worse than it is at this time. I do not believe that defeatism is worthy of one who has been generously led and who has received the beneficences of this country.

Mr. President, another reason I assign for the cut proposed by the amendment is that when it is made it will leave substantially the same amount that ECA asked for, had there been no particular tie-in between their activities and the military program in Europe.

I read from page 23 of the report of the committee:

The Administrator for Economic Cooperation, Mr. Foster, indicated in his testimony before the joint committee that the job of the Marshall plan in Europe as originally contemplated was virtually complete. The Deputy Administrator, Mr. Bissell, testified that if the Western European countries had not found it essential to build up their defensive strength, the Economic Cooperation Administration would have requested \$672,000,000 for aid to Western Europe for this year, primarily to prevent serious economic deterioration such as would carry with it the threat of Communist internal subversion in countries of great strategic importance.

They would have asked for \$672,000,000. If we take out the \$500,000,000 provided for in this amendment, they will have left \$630,000,000, which is, roughly, the very amount they would have asked for if it had not been for their belief that there were other duties they should perform. Let the military perform them. I look at this as a one-package operation; so I think it is perfectly safe and appropriate and proper for this body finally to cut it by that amount.

Mr. President, I was interested in, and I subscribe to, the sentiment expressed by the chairman of the Foreign Relations Committee, the distinguished Senator from Texas [Mr. CONNALLY], when he asked Mr. Foster, "Can we support the whole world?" I do not think we can. I notice in the general data contained in the report that pretty soon we will be supporting and aiding just about every segment, every section, every country, every group in the world. How long can that continue? Not too long before the solvency of America will come into real jeopardy, and once the movement gets under way, it may be impossible to stop it.

Mr. President, I wish to allude to one other subject, which has only a rather indirect and ancillary bearing upon what I have been saying. I wish to speak about money for economic aid contained in the bill for the Latin-American Republics. I have a separate amendment dealing with that subject. I want to cut out such aid.

I have a great affection for the people of the Latin-American Republics. They are our neighbors, and I think they in large measure represent one of the great hopes of America as we spell out the dream and the destiny of our own country. But consider how illogical such aid is. Only yesterday morning the official bulletin of Venezuela came to my desk, and I wish to read from page 7 of it. This is not my language, but it is the language circulated by the Venezuelan Embassy:

Venezuela is one of the few countries in the world that is virtually free of foreign or internal debt. The currency of the nation is backed by 100-percent gold, which is indeed an outstanding position in the world today.

Mr. President, I will say to my friend from Kansas that I wish we could make such a statement as that. I wish we had 100 percent gold back of the green pieces of paper and the fancy, beautifully illuminated bonds which everywhere are pressed upon the people in the hope that by buying them we can avoid the rigors of inflation. Here is Venezuela with 100 percent gold backing of its currency, and which is virtually free of debt, either internal or foreign. What a wonderful position to be in.

I read from the same bulletin on page 4:

Mr. Rockefeller—

That means Mr. Nelson Rockefeller, who is very much interested in point 4—said Venezuela would be entitled to the technical aid she would require, according to plans already prepared, and under a budget soon to be considered by the United States Congress.

Mr. President, we have a \$257,000,000,000 debt. It will grow larger, I have no doubt, in the face of the expenditures which are contemplated. The backing behind our currency is not of such a kind as would make us as happy as we would be if we could say that there was 100 percent gold backing behind it, as can be said for Venezuela. Yet our country, with its budget now in the \$80,000,000,000 bracket, with a huge debt, and a tremendous deficit looming in the days ahead, is now going to make money available to South America. Is this wise?

I am rather reluctant to make the statement I am about to make, because I cannot document it, except as I use the name of a Member of this body, and I am not at liberty to do so. He returned from Venezuela just a few days ago. He has told a fantastic story about Venezuela wanting to buy things in this country, but evidently those in the executive branch have discouraged it. Venezuela has good money with which to buy. If the story is true, Venezuela has gone to Britain instead to have destroyers built in the shipyards there, and to buy some

jet planes from Britain. What an astonishing thing, Mr. President. It baffles all comprehension. I think the time has come to be rather precise and fundamental in grappling with this issue, and to cut out everything that is not impelled by absolute necessity.

Mr. WATKINS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PASTORE in the chair). Does the Senator from Illinois yield to the Senator from Utah?

Mr. DIRKSEN. I yield.

Mr. WATKINS. Will the Senator inform us whether or not Venezuela has made a request for help under point 4 or under any other program?

Mr. DIRKSEN. I do not know anything more about that than what I have read from the bulletin.

Mr. WATKINS. In view of the situation existing in Venezuela at the present time, I would assume that Venezuela would not be asking for help from any nation.

Mr. DIRKSEN. Venezuela should not be asking for help from any country. But here is their own bulletin, in which it is said:

Mr. Rockefeller said Venezuela would be entitled to the technical aid she would require, according to plans already prepared—

And so forth. When a country has become eligible I have noted no reticence, on its part, I have noted no reluctance, to make a beaten path to the doors of our own citadel, and to ask that money may be made available.

Mr. WATKINS. It would seem in the particular case the Senator has just mentioned that, instead of asking us for help, Venezuela would offer to help us.

Mr. DIRKSEN. In view of Venezuela's position financially, she might furnish some Marshall plan aid to us, or call it point 3, point 10, or anything you like. We may be in a position in which a little help might be welcome.

Mr. CHAVEZ. Mr. President, will the Senator yield to me?

Mr. DIRKSEN. Yes.

Mr. CHAVEZ. The Senator mentioned Venezuela. I have been of the opinion for many years, or at least since I have been a Member of the Congress, which is 20 years, that so far as it concerns our political philosophy and economic welfare, the part of the world to which we should go for what we need is the countries south of the American border. Those countries, including Venezuela, have many resources which can be used for economic betterment, not only of their own countries, but also our country. They produce oil, manganese, timber, copper, and all kinds of commodities. We should concern ourselves with the countries south of the border, not necessarily on the basis of point 4, but we should, so far as our own welfare is concerned, see to it that there is an orderly development of the resources of the countries south of the border.

It is my opinion that the area from Hudson Bay to Patagonia is our only hope for the procurement of necessary materials, so far as Uncle Sam is concerned. My desire is that the United

States may do its share and cooperate, as all Senators desire in doing the right thing for Europe, Asia, and elsewhere. But so far as our own welfare is concerned, unless we develop the hemisphere from Hudson Bay clear down to Patagonia we are not going to get anywhere. In Europe the various countries have been fighting about real estate for many years.

Mr. DIRKSEN. Mr. President, I shall now conclude. I have taken too much of the Senate's time already. I wish to refresh the minds of Senators respecting the set of figures placed in the RECORD last night by the Senator from California [Mr. KNOWLAND] just before adjournment. The figures are rather interesting. In order to maintain the necessary classification the figures are set forth for various countries on the alphabetical basis instead of by countries. In the first place the Senator from California pointed out that the United States defense effort calls for 68.1 percent of the total budget. Compared with the 68.1 percent which the United States is putting into the defense effort, country A is putting in 45 percent of its total budget.

Country B is putting in 32.2 percent.
Country C is putting in 27.4 percent.
Country D is putting in 26.2 percent.
Country E is putting in 22.7 percent.
Country F is putting in 22.4 percent.
Country G is putting in 17.1 percent.

Someone in the State Department raised the query as to whether that was a fair basis for comparison. He said the comparison should be made on the basis of gross national income. Well, that is also set forth by the Senator from California. He said that in the year 1951 the United States Government was putting into defense 14.1 percent of the gross national income. He said it is expected, of course, that for the current fiscal year that amount will be raised, perhaps as high as 20 percent of gross national income because of our expenditures in the defense field. I cite as authority for that no less a person than the Honorable Charles Wilson, the Mobilizer, who appeared before the Senate Committee on Banking and Currency only yesterday morning. He indicated that by late 1952 we would probably reach the 20 percent level. What about the other countries? Country A, 8.3 percent; country B, 9.3 percent; country C, 8.8 percent; country D, 2.3 percent; country E, 6.4 percent; country F, 4.7 percent; country G, 4.1 percent; country H, 2.7 percent; and country I, 5.7 percent.

Is it quite fair? I think the time has come when there must be a more tangible and persuasive manifestation of will and spirit on the part of those who have been the recipients of American largess. Until that time I think, among other things, that we have a responsibility to think about the self-preservation of America and to think about the inordinate burden which is being pressed upon our own compassionate and humble people.

For that reason, and for the other reasons which I have assigned, I hope this amendment begets the favor of a majority of the Senate, so that we can

say to the country, "We are interested in the fiscal problem, and we are going to give attention to it. Here is some tangible evidence of our interest."

Mr. President, I yield the floor.

Mr. GREEN. -Mr. President, I yield 30 minutes to the senior Senator from Connecticut [Mr. McMAHON].

Mr. McMAHON. Mr. President, it has been suggested that an extra \$1,000,000,000 in this appropriation would amount to \$6.50 for every person in this country. I suppose, if my arithmetic is correct, that that would mean that the additional cut which is now proposed would amount to \$3.25.

I think it is well, in examining this whole problem, to see what we are about, what we are trying to do. What are the stakes involved? How do we intend to meet this great challenge? Perhaps if we review the problem with some kind of perspective we can measure what we should do against the suggestion that a \$3.25 cut per person out of this appropriation is the proper way to prepare for the survival of civilization.

Mr. President, there are those who say to the people, "Do not look at the over-all picture. Just think about your own affairs. There is no need for any sacrifice. You had better worry about the size of the tax bill you have to pay. The regimentation and regulation to which the United States is being subjected are unpleasant and bear heavily on a good many people, so I want to appeal to your prejudices; I want to appeal to your selfish instincts. I want to tell you that it is all unnecessary. We do not have to do it. Has not the United States a great big debt? Look at the taxes that are being taken out of your pay envelope. After all, what is it going for? It is going to a lot of foreigners. It is going to France, Italy, and Great Britain. It is going to Indonesia. It is going to India, and in some measure to other countries."

I am conscious of the fact that, to the unthinking, this has a very deep appeal. So, Mr. President, I should like to consider the broad picture which we face, and review the demands upon us if we are to discharge our duty and responsibility as leaders in the world. We should consider what programs we have already adopted, and what program we should adopt if we are truly to defend the security of the United States of America, which must be the primary concern of Members of the United States Senate.

About 10 days ago I received a memorandum which I had requested from the Research Division of the Library of Congress. I asked them to prepare a memorandum for me on what had been the cost of World War II. I received that memorandum and placed it in the RECORD, with the suggestion that it might be fruitful reading for Members of Congress.

What was the cost of the victory which we won? The price which the entire world has had to pay for World War II, in human suffering and material destruction, can never be completely answered. The last war inflicted seven times as much damage as did World War I. People died because they were bombed, exterminated, starved and fro-

zen. More civilians died than men in uniform. Nations were bombed so that their capacity to fight would be destroyed; and the terrific destruction of property reduced economic life to the point where millions of people found it difficult to exist.

What was the cost of victory? According to this study, the cost of victory comes to 40,000,000 people dead and \$4,000,000,000 in wealth destroyed. Of course, the loss of lives and the property damage do not begin to encompass the terrible moral cost which was inflicted upon the peoples of the world. There is no measure of the blood and suffering, the agony, and the destroyed lives—the nervous wrecks which have been left to fill the psychopathic hospitals of the world with the victims of the strain brought about by the physical and mental injury caused by that terrible holocaust.

The memorandum goes on to point out that if we were to translate \$4,000,000,000 into peacetime production, we would find that we would have enough money to build a five-room house for every family in the world—even including the Hottentots. We would find that all the families of the world would have enough money to support themselves for 10 years and that a hospital could be built in every town of over 25,000 people and operated for 5 years. Other improvements could also be provided in those towns. That is what World War II cost.

Incidentally, it has been computed that because of pensions, hospitalization, and liquidating costs of the conflict, the Civil War has now cost us four times as much as the bill that was rendered at the end of that conflict. Liquidating costs are computed in the same proportion with respect to World War I and World War II. The liquidating cost runs to four times what the original cost of the conflict was. So if we are measuring the economic cost, the conflict which has just ended, and which has cost us \$4,000,000,000,000, it is safe to say, will cost us \$16,000,000,000,000 in all.

Mr. President, something has been added to the art of warfare since World War II ended, and that is the introduction into the armories of two great powers in the world of stockpiles of atomic weapons. Those weapons would be used in a conflict with great and very devastating effect.

I doubt very much whether civilization as we know it will survive such a conflict, if it comes. I do not doubt that we will be victorious on the field of battle, but if there is one thing we have learned to our bitter regret it is that victory on the field of battle, valuable and desirable though it may be, is not the end of the responsibility and troubles which follow in the wake of a victory. Yes, we will be victorious on the field of battle, if the gentlemen in the Kremlin are foolish enough to go through with the threatening moves which they are making all over the world today.

Mr. President, listening to some of the statements which have been made in this Chamber one would think that we were sitting here in perfect safety

and that there was really no threat posed to our survival. No matter how many times it is said, it seems impossible to bring home to the American people the fact that the survival of this free Nation is at stake in the months and years just ahead. It is a strange thing that individuals, who know that they will die and pass away, can never appreciate the fact that history is filled, book after book, with the story of the passing away of great nations. I sometimes feel that we are living in an age which poses a challenge to the leadership of this, the greatest democracy the world has ever known, that challenge being as to whether we have the stamina, the hardheadedness, the heart, and the brains to win the contest, or whether we are going to preside over the liquidation of decency in the world.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. McMAHON. Yes.

Mr. LEHMAN. Is it not a fact that the threat to our security and the security of the world is even greater today than it has ever been in our history?

Mr. McMAHON. Of course, the answer to the question is yes. I should like to point out to the Senator from New York that in the House of Representatives 2 or 3 weeks ago the civil-defense appropriation was cut from about a half billion dollars to \$68,000,000. Mr. Caldwell, the head of civilian defense, was right when he said that perhaps we had better do away with it entirely. I believe it was Mr. Caldwell who said it.

I am frank to say to the Senator from New York that in my thinking I live a good deal in a field, which he knows about, namely, the atomic field. It is not a study or an activity which is calculated to instill optimism in any person who is engaged in exploring it.

There is coming into existence in the hands of the Soviet Union a stockpile of atomic weapons which, used by surprise and without warning, can strike dead millions in the cities of America. I say to the Senator from New York that the Congress will fail to discharge its duty to the people of the country if it does not seek to bring about the kind of strength, not only here but all over world, which will deter the men in the Kremlin from trying to strike that blow.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. McMAHON. Yes.

Mr. LEHMAN. I fully agree with what the Senator has said. I should like to ask him whether from his own observation it is not perfectly obvious that not only must we use every possible resource we possess in our own defense, and to maintain and increase our security, but that we must make available the resources, so far as they exist and so far as they can be developed, of every other free country in the world. If we fail to do that we certainly will have betrayed our own people. Does not the Senator from Connecticut feel that in order to do it we should be willing to make every sacrifice which is demanded of us, even though it may mean for the time being higher taxes, stronger controls, and increased

sacrifices in the way of time, resources, and inconvenience?

Mr. McMAHON. I thank the Senator. He has stated the point much better than I could state it. I would say to the Senator from New York that freedom, and what we are and what we can do, mean much more to me today, and I believe they will mean much more to the people of the United States when they understand the nature of the threat.

What will it profit a man to have even a fleet of motor cars, and a great home; what will it profit a man to have his job in the Ford motor plant in Detroit, or in any of the other great manufacturing plants of this country; what will it profit a man to have his little five-room house and his little children asleep upstairs; and what will it profit anyone to be told that he has saved \$3.25 or \$6.50, when the bombs begin to rain upon the cities of America? Mr. President, destroy Western Europe and let it pass, with its productive capacity, behind the iron curtain, and what is implied in the question would come to pass as surely as that we stand on the floor of the Senate. Let us be certain of one thing, let us be certain that we are talking about the survival of America.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. McMAHON. I am sorry that I cannot yield further. I am speaking under a limitation of time. Let me say that reflection on the way in which we have discharged our duties thus far can fill all Americans with a sense of pride. After World War II, when we ripped apart the greatest fighting force that was ever known in the whole world—and we in the Congress must share the blame for it—there were no cries on the floor of the Senate to maintain our Armed Forces until the agreements which had been made at Yalta, Tehran, and Potsdam were in effect and had been kept.

In the 1944 campaign, a year before the world war in Europe ended, to say nothing of the end of the war in Japan, the charge was made that we were plotting to hold our soldiers in uniform because we did not dare bring them home because we did not know how to solve the unemployment problem. So before the war was over, the heat was on, to break up our Armed Forces and to bring the troops home.

Then we found that instead of departing from and abandoning the doctrine of Lenin, Trotsky, and Marx, which proclaims the inevitability of the destruction of our world, the Communists embraced it and proceeded, upon the strength of the devastation which was caused by World War II, to accomplish their designs of aggression to take over the free world.

When we found that out, Mr. President, we proceeded—sometimes inefficiently, but nevertheless we made the decision, and we began to carry it out—to marshal the strength of the free world to meet that threat. The immediate threat was the threat to Western Europe. By means of the operations of ECA, we stopped Europe from going over the brink of the precipice. However, while we were saving Europe economically, the

military power of the Soviet Union began to grow and grow, and grow, whereas our own military force—with the exception of our atomic stockpile, which, thank God, began to grow—pretty much was in decline, and not in a period of growth. There was a great awakening that what the men of the Kremlin meant was to seize the world by means of armed aggression.

So we formed and forged the Atlantic alliance, the North Atlantic Treaty Organization; and in pursuance of the terms of that treaty, which regards an attack upon one of the members to it as an attack upon ourselves, we have proceeded to implement it, because we realize that in Europe, as in the Middle East, as in Asia, unless we meet this threat, the Communist aggressors will overwhelm those territories, will proceed to gobble up all the rest of the free world, and then will stand at the threshold of the United States, ready, in their own good time, to strike us down to destruction.

So the administration has sent to us a bill calling for the authorization of \$8,500,000,000.

Mr. President, I am one of the sponsors of an amendment by which it is proposed to restore that amount, which in the committee was cut to \$7,500,000,000.

In pursuance of my duties, I went to Europe with the subcommittee of the Foreign Relations Committee. We called on General Eisenhower and his staff, and we called on all the leading statesmen of seven or eight countries. We obtained a great deal of information. I think we became convinced of the necessity of supporting the program. When we returned home we opened hearings, and for a period of several weeks we heard presentations as to the desirability and, in fact, the necessity of this program. So far as I know there is not in the record of the hearings conducted by the subcommittee in Europe or in the record of the hearings conducted by the full committee downstairs in this Capitol Building, a single argument for the making of a cut in the authorization provided in the bill. So far as I know, not one witness said, "Gentlemen, this program is extravagant and is above the needs of our defense."

Mr. President, it should be remembered that the figure of \$8,500,000,000 was set because it was the limit of the productive capacity we have, having regard to our own defense. As General Eisenhower said, it was not a measure of the need.

Now the suggestion is made that the recipient countries do not need any economic aid. After all, we are asked, are not they producing at the rate of 140 percent of their production in 1939?

I think that figure is a little high, but let us take it. In France alone nearly 2,000,000 buildings were destroyed during the war. The excess of production, over that in 1939, which is represented by the figure of 140 percent has gone largely to the repair of the damage caused by World War II and for the purchase of raw materials which those countries have had to fabricate into finished mate-

rials to be shipped to other countries, in order to obtain funds with which, in turn, to purchase raw materials, in order to be able to continue their world trade and commerce. Before World War II that balance was made up of interest on investments which those countries had abroad, but during World War II those investments disappeared.

So, Mr. President, the question is not how much more are they producing, but how much more are they eating, and how about their standard of living? From our investigations and from the testimony we obtained we found that their standard of living today is just about what it was in 1939, whereas ours, thank God, is 40 percent higher than it was in 1939; and it was notoriously higher then, because of the productive capacity of America, than was that of the European nations.

Mr. President, to cut the economic aid would be, to me, a very, very unfortunate thing, because it would not be based upon reason. It simply does not make good sense.

In that connection, Mr. President, I should like to point out some of the simple mathematics involved in this situation. Without United States economic aid we can expect that there will be manufactured in two countries of Western Europe \$53,000,000 worth of ammunition and explosives; with United States economic aid, we can expect the production of \$226,000,000 worth of ammunition and explosives. In aircraft, we can expect, with our military-aid appropriations, \$82,000,000 worth of aircraft; but, if we give them some marginal economic aid, which is all the authorization contemplates, we would double it to \$167,000,000 worth of aircraft. In transport and noncombat vehicles, they can build \$24,000,000 worth without economic aid; \$139,000,000 worth, with economic aid.

The PRESIDING OFFICER (Mr. Gillette in the chair). The time allotted to the Senator from Connecticut has expired.

Mr. GREEN. I yield 5 minutes more to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for five additional minutes.

Mr. McMAHON. The proportions are represented on the chart by varying percentages, applying to combat vehicles, ships, and harbor craft, electronics, communications, and the classification denominated "all other military matériel."

Mr. President, on the basis of common sense, if we can put \$82,000 into a factory in Denmark, and from that \$82,000 have \$452,000 worth of sub-machine-guns produced; if, in France, we can invest \$312,000, and have \$8,000,000 worth of tank destroyers produced, it would seem to me that little argument would be needed in order to prove that those who think there is no relationship between economic aid and military aid are not looking at the situation realistically.

I thought the situation was well summed up in a cartoon by Herb Block, which appeared in the Washington Post,

under the caption "Don't Be Alarmed, We Will Just Sink the Bottom Part." It shows a great ship, with a man at the side of the cartoon impersonating the Congress. He is looking at the ship. The top part of the ship, with the guns on it, is labeled "Military Aid Program," and the bottom part, "Economic Aid Program." The caption says, "Don't Be Alarmed, We Will Just Sink the Bottom Part."

So, Mr. President, I would urge Members of the Senate, when they contemplate cutting from this authorization an amount which would approximate a saving of \$3.25 per capita to the people of the United States as suggested in the amendment proposed by the Senator from Illinois, to keep in mind that they are dealing with the survival of the United States of America. Mr. President, if it is left to me, I will balance the military power of the Kremlin before I balance the budget.

The PRESIDING OFFICER. The Senator from Connecticut has 3 minutes of unused time.

Mr. GREEN. Mr. President, I think perhaps a Senator favoring the amendment might wish to speak now.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the Senator from Idaho [Mr. WELKER].

The PRESIDING OFFICER. The Senator from Idaho is recognized for 3 minutes.

Mr. WELKER. Mr. President, I asked the distinguished Senator from Connecticut to yield after he had been yielding to his friend, the Senator from New York, but he failed to yield to me. I wanted to call the attention of the Senator to the fact that on the ticker tape, a moment ago, I read this startling statement:

Supreme Court Justice William O. Douglas today advocated United States recognition of Communist China.

If that is the thinking of this administration, or the people whom Douglas represents, I think it high time that we tell the American people that we have been pouring the lives of human beings down a rat hole in the Far East, that we have been pouring billions of dollars down the rat hole, and that we shall awake to find that an administration spokesman advocates, at this late hour, that we recognize Russia in Europe, as well as in the Far East.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WELKER. I yield to the Senator from Texas.

Mr. CONNALLY. What right has the Senator to say that Douglas is a spokesman for the administration?

Mr. WELKER. I assume he is a spokesman for the administration. He is a Democratic appointment to the Supreme Court of the United States. He was mentioned for President in 1948; in 1944 he was advocated for Vice President by President Roosevelt and he is now frequently mentioned as a Presidential possibility.

Mr. CONNALLY. The Senator has no right to assume that.

Mr. WELKER. I am assuming it, and I will leave it to the people of America, who will assume it, too.

Mr. CONNALLY. The Senator is the one who is saying it, and, as a Senator, he has no right to make any such assumption.

Mr. WELKER. Very well. I will stand upon my charge that this man is a spokesman for the administration, and I think the American people so recognize him. At this very moment, when we are considering whether we are to give away the fortunes of our country and the lives of our young men, we find a man high in political circles—in fact, there are very few positions higher than that of Justice of the Supreme Court of the United States—advocating that at this moment we recognize the Red Chinese.

Mr. President, which way are we going? How are the people thinking in Iowa, in Idaho, and throughout the United States, when we are deliberating upon this very important question? How much of our fortune can we send to foreign lands? At this very time, I am considering what my vote shall be. Is it not possible that in the months ahead, someone high in this administration may suggest that we recognize as being our best friends the Russians in Europe, if they advocate what Mr. Justice Douglas has advocated this morning? If he brings this matter to the forefront, and if his theory is accepted, we shall have lost, all in vain, more than 13,000 American boys in Korea, and suffered a casualty list of more than 100,000.

The PRESIDING OFFICER. The Senator from Idaho has one additional minute, if he cares to use it.

Mr. WELKER. Mr. President, I ask unanimous consent to insert in the body of the RECORD, at the conclusion of my remarks, the dispatch taken from the ticker tape.

The PRESIDING OFFICER. Is there objection?

Mr. CONNALLY. Reserving the right to object—

Mr. WELKER. Mr. President, I decline to yield to the distinguished Senator from Texas. Therefore, I shall read the press dispatch as carried on the ticker tape a few moments ago:

SAN FRANCISCO.—Supreme Court Justice William O. Douglas today advocated United States recognition of Communist China as a means of smashing its political ties with Soviet Russia.

Douglas, just back from an expedition along the southern frontiers of both Russia and China, said United States recognition of the Peiping regime would give the free world a real political victory.

Recognition, he told an interviewer, would capitalize on the struggle between Chinese nationalism and Russia's drive for far-eastern solidarity—the greatest source of friction between any two nations in the world today.

He said these tensions are manifest even in remote Chinese provinces where Soviet Russian troops man the frontier posts.

"Recognition will require straightforward and courageous thinking by all Americans, but is the only logical course," he declared.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired.

Mr. WELKER. I now yield the floor.

Mr. GREEN. I yield 5 minutes to the Senator from Texas [Mr. CONNALLY].

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 minutes.

Mr. CONNALLY. Mr. President, I am amazed that a Senator of the United States should stand upon this floor to charge that William O. Douglas, a Justice of the Supreme Court of the United States, is a spokesman for this administration with reference to Red China. We have not recognized Red China. We do not intend to recognize Red China. Only the President of the United States and the Secretary of State could have any agency in such a recognition. Red China has not been recognized, which is proof that the Secretary of State and the President of the United States are not in favor of recognizing Red China. Yet, Mr. President, a Senator representing a State of the United States stands upon the floor of the Senate and makes the charge that Justice Douglas is the spokesman for the administration.

I do not agree with Justice Douglas. I think he should stay at home, instead of roaming around Asia and in other places making fool statements such as that which the Senator from Idaho has quoted.

No, Mr. President, Justice Douglas is not the spokesman for the administration with regard to foreign affairs. Actions speak louder than words, and the President and the administration have refused to recognize Red China. We are at war with Red China at this time, in a sense, and yet the Senator from Idaho rises and makes the statement that Justice Douglas is a spokesman for the administration. The statement by the Senator was a purely political statement. It is beneath the dignity of a Senator to say something which is not true in order to advance his political interest and his popularity.

No, Mr. President, Justice Douglas is not the spokesman for the President or for the administration with regard to Red China, and the Senator from Idaho should know that, if he can read—and I suppose he can read. The record shows that this administration has no intention of recognizing Red China.

Justice Douglas is not the Secretary of State or the President of the United States. He will never be the President of the United States. I am surprised that a Senator should make such a statement on the floor of the Senate.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Idaho [Mr. WELKER].

The PRESIDING OFFICER. The Senator from Idaho is recognized for 2 minutes.

Mr. WELKER. Mr. President, I am far less interested in politics than is the distinguished senior Senator from Texas, who, come November 1952, will really be concerned with politics in the State of Texas.

I ask the distinguished Senator from Texas if it is not a fact that in 1948 the Democratic Party considered and advocated Justice William O. Douglas in connection with the nomination for President of the United States; and I ask if it is not a fact that his candidacy is being considered in many circles at this time.

Mr. CONNALLY. Mr. President, I will say to the Senator from Idaho that the question he has asked me about 1948 is simply ridiculous. Justice Douglas may have considered himself as a candidate for the Presidency, but no one with any authority to speak for the Democratic Party so considered him, because he was not nominated, and he is not going to be nominated so long as he collaborates with the Senator from Idaho in order to try to make political hokum for the Republican Party through the agency and the sponsorship of the Senator from Idaho. It is simply preposterous that Judge Douglas should speak for this administration or for the Democratic Party; it is outrageous and ridiculous. Oh, how low, to what low depths, will men descend when urged on by political or personal considerations or benefits to themselves or to their party.

Mr. GREEN. Mr. President, I yield 2 minutes to the Senator from Connecticut [Mr. McMAHON].

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 2 minutes.

Mr. McMAHON. Mr. President, I shall not need 2 minutes in which to say what I shall say.

The Senator from Idaho, when he injected this high-minded note into the debate, suggested that I had not seen fit to yield to him. That is true. I also had decided to decline to yield further to the Senator from New York because of the limitation of time under which I was speaking.

I think it is particularly regrettable that at a time like this, when we are talking about a proposal that may well determine the destiny of the Senator from Idaho and his family, as well as the destiny of the whole human race, he should have injected into the debate what I regard as an unfortunate comment upon the sayings and activities of a distinguished private citizen who is however without influence upon the course of conduct of American foreign policy.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute.

Mr. President, long ago it was said, "Ye shall know the truth, and the truth shall make you free."

I recall, when I was a member of the Appropriations Committee of the House of Representatives, that the Honorable William O. Douglas used to appear before the Subcommittee on Independent Offices and state the case for the Securities and Exchange Commission, of which he was the official spokesman. He was later appointed to the highest tribunal in this country. I do not think we can lightly pass off his importance by stating that he is nothing more than a private citizen, because he has political affiliations in many sections of the country. I had a political affiliation of my own, and I remember very definitely my own observations in the press when the nomination of William O. Douglas was very generously considered, certainly in the press and by some of his friends. Of course, that does not make him the nominee of his party, but I do not think we can divorce him from the party now, because he is one of its repre-

sentatives on the Supreme Court of the United States.

Mr. GREEN. Mr. President, I yield 10 minutes to the distinguished majority leader, the Senator from Arizona [Mr. McFARLAND].

The PRESIDING OFFICER. The Senator from Arizona is recognized for 10 minutes.

Mr. McFARLAND. Mr. President, I have listened with great interest to the remarks which have been made concerning a further reduction in this mutual security program. Some have implied that our country does not really face any danger which would require the strength afforded by mutual security.

Mr. President, I do not think there can be any doubt in the minds of most observers that as long as Russian communism continues on its present course, the free world and especially the United States, faces a constant threat of danger.

Mr. President, I very much regret that reference has been made to political elections when we are considering a measure of such real importance to the mutual defense of the free nations of the world. The pending bill was reported unanimously by two great and able committees of the United States Senate. Certainly the recommendations made by the distinguished members of those committees were not dictated by political considerations.

No, Mr. President. I have faith enough in my colleagues on both sides of the aisle to know that their actions were based on their desire for victory, not in politics, but in the defense of the free world.

Mr. President, I wish with all my heart that there were no more than our politics involved in the consideration of this bill. If this bill is political it is only so because it seeks to preserve our political system—not any political party. It is easy for some to ignore the overt actions of Russian imperialism and the warnings and advice of men like General Eisenhower and to say, "You bring these things up only before elections."

Mr. President, I believe the Senate of the United States should be thinking and talking about the mutual defense of the free nations of the world rather than about allocations, or what some individual advocates or does not advocate.

The subject before us is whether we should cut the authorization by one-half billion dollars. That is what we must consider here. That is the issue before us. In considering it we should consider it upon one basis and one basis alone: Is it to the best interests of the United States of America to make such a cut? That is the only question that is involved in this issue.

We have the recommendation of two committees, many members of which went to Europe and studied the situation, talked to General Eisenhower, and talked to the officials of the various countries who have charge of the mutual defense program. What is their recommendation? They did not recommend this amendment. I for one am not willing to disregard their recommendation and vote for a cut of one-half billion dollars.

We hear talk about keeping the United States economically strong. It is said that if we are to be powerful in a military way we must be powerful economically. I agree with that philosophy. If we agree with that philosophy we must agree that the same philosophy applies to countries of Europe who are our allies in this mutual defense program. If we expect those countries to put forth their best efforts they must be economically strong also.

We must consider both the economic and the military situations together. It is very difficult to separate them. For that reason the two committees, meeting jointly, made the recommendation, and I think properly so, that 10 percent of the funds could be diverted either way, in a manner that would do the United States and our allies the most good.

Mr. President, what will it mean to us to aid the countries of Europe economically? The testimony before the committees, I am informed, shows that one dollar's worth of aid toward military production in Western Europe is worth \$2 spent in the United States of America. Is it foolish to help the Western European countries help themselves? To the extent that we encourage military production in Europe we have our own production available for armament here. Our economic aid can and will be used to help European countries themselves tool up for military production.

Mr. President, when we debated the troops-to-Europe issue the Senate decided, by an overwhelming vote, that Europe was our first line of defense. If it is our first line of defense, then we want to make it the strongest possible line of defense.

Mr. President, the House voted an appropriation bill of \$56,000,000,000. Is it cheaper to arm the forces in Europe than to arm all our men and put them in uniform? Even from a dollar and cents standpoint is such a program cheaper for America?

Will the Senator from Rhode Island yield me 5 minutes more?

Mr. GREEN. I yield five more minutes to the Senator from Arizona.

The PRESIDING OFFICER (Mr. CHILLETTE in the chair). The Senator from Arizona is recognized for five more minutes.

Mr. McFARLAND. Mr. President, I am alarmed that anyone should be apathetic when we are confronted by a situation which is of such grave importance to the destiny of the United States today. I want us to save every possible dollar, but I agree with the distinguished Senator from Connecticut [Mr. McMAHON] that our dollars can melt under atomic bombs. I maintain that the time has come for the United States to become strong economically and militarily, and that it is time for us to see that our allies shall become strong both economically and militarily. We cannot afford to gamble under conditions such as those which exist today.

Why are we sending our boys over to Europe? For what purpose? Mr. President, I would be one who would rather follow, if anything, the recommendation of General Eisenhower that we appro-

priate \$8,500,000,000. But I do say that under the conditions as they now exist we can authorize for appropriation the \$7,500,000,000, and make studies in regard to the rest of the money which is needed. We must make constant study of what is needed to keep our defense program effective.

I hope the Senate of the United States will follow the advice and the recommendations of the Foreign Relations Committee and the Armed Services Committee as to the amount of money which should be authorized now and that it will not vote for the proposed cut. I certainly do not want to see the United States sold short. To hear some of the talk on the floor of the Senate one would think we were throwing this money away rather than appropriating it for the best interests of our own country. We know and they know that we are trying to strengthen our own line of defense as well as Western Europe's line of defense. I hope the Senate of the United States, by a large majority vote will say today to the countries of Europe that we are behind this mutual defense program, that we are going to stand for liberty and justice throughout the world, and that we are going to sacrifice for that objective.

Mr. GREEN. Mr. President, may I ask how much time the opponents have left.

The PRESIDING OFFICER. The Senator from Rhode Island has 7 minutes remaining.

Mr. McMAHON. Mr. President, has the time of the proponents expired?

The PRESIDING OFFICER. Eight minutes remain to the Senator from Illinois.

Mr. DIRKSEN. I may say I have been reserving the time for one Member of the Senate who is on his way to the Senate Chamber. I do not know just when he will arrive. If he does not arrive within the time that is left I may not use the time. Does the Senator from Rhode Island desire to utilize the time remaining to him?

Mr. GREEN. I am willing to stop now, if the Senator from Illinois is willing to do so.

Mr. DIRKSEN. I will say that the minority leader was ill all day yesterday, and was in bed. He is on the way to the Senate Chamber, and I am reserving the remainder of the time for him. If he does not come soon it is doubtful whether the time will be used.

Mr. GREEN. I yield 5 minutes to the Senator from New York [Mr. LEHMAN].

The PRESIDING OFFICER. The Senator from Rhode Island yields 5 minutes to the Senator from New York. The Senator from New York is recognized for 5 minutes.

Mr. LEHMAN. Mr. President, as I have listened to this debate, it has seemed that apparently we think we are carrying on our economic aid purely out of the goodness of our hearts, as a humanitarian project. That, of course, is far from the truth. We are carrying on our economic aid, and propose to continue to carry it on, because we are convinced that it will help us and the other members of the family of free

nations who are straining to remain free. We are engaged in a mutual-aid program, in order to maintain our own security and to further international peace and security. I wish to emphasize with all the strength at my command that the real purpose of this program is to further international peace and security.

The mutual-aid program contains both economic and military aid. In my opinion, the two are wholly inseparable. We must give adequate economic aid if we are to receive the maximum of military aid from the peoples who are our allies and friends, and whose interests are identical with our own.

The distinguished Senator from Illinois [Mr. DIRKSEN] was critical of the Marshall plan. I say that the Marshall plan has proved its value in countless ways. Above all it has saved Western Europe from both economic and political chaos, which would have been inevitable without the assistance which came to those countries ravaged by war and weakened by occupation. That assistance came through the implementation of the Marshall plan.

Now we are asking for greatly increased production from the Western European countries, both of civilian and military goods. We are making that demand of every country of Western Europe. We are now asking our allies further to increase their military production. In order that those countries may be able to do so, there must be further expansion of their industrial facilities and the maintenance of a sound economy. A sound economy can be maintained only if the flow of civilian goods, both for internal consumption and external trade, is continued and increased.

I am willing to place my reliance and confidence in our military leaders, and in the great leaders in our administration, in business, and in the professions. Above all things, I am willing to place my reliance on General Eisenhower. I had the privilege of talking at length with General Eisenhower when I was in France 2 months ago. It was perfectly evident that he did not minimize the dangers and difficulties which were confronting us. He did not minimize his great responsibility. But I got the feeling from him that, given the full support of the people of this country, he could and would mold into being a tremendously strong defense force in the countries of Europe.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. LEHMAN. I very much hope that this amendment will be defeated.

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for a quorum be rescinded, and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Chair understands that the Senator from Rhode Island has been yielded 2 minutes.

Mr. GREEN. Mr. President, in view of the course of the discussion, I suggest that we proceed to vote, if a quorum is present.

The PRESIDING OFFICER. The Senator from Illinois [Mr. DIRKSEN] has 2 minutes remaining.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Illinois [Mr. DIRKSEN] for himself and other Senators. On this question the yeas and nays have been demanded.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. AIKEN. Mr. President—

The VICE PRESIDENT. The Senator from Vermont.

The legislative clerk called the name of Mr. BREWSTER.

Mr. AIKEN. I vote "nay."

Mr. BREWSTER. Mr. President, I should like to have the Record straightened out.

The VICE PRESIDENT. Just one record?

Mr. BREWSTER. The Vice President recognized the Senator from Vermont, and the clerk called the name of the Senator from Maine [Mr. BREWSTER]. How do we handle the Record? The Senator from Vermont [Mr. AIKEN] voted when the name of the Senator from Maine [Mr. BREWSTER] was called.

The VICE PRESIDENT. He was thinking of Brewster's millions.

Mr. BREWSTER. This BREWSTER wants to vote against \$500,000,000.

The VICE PRESIDENT. The Senator from Maine.

The legislative clerk called the name of Mr. BREWSTER.

Mr. BREWSTER. I vote "yea."

The roll call was concluded.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from Arkansas [Mr. FULBRIGHT], the Senator from Washington [Mr. MAGNUSON], the Senator from West Virginia [Mr. NEELY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from Maryland [Mr. O'CONNOR] is absent because of a death in his family.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Nevada [Mr. McCARRAN] is paired on this vote with the

Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Alabama would vote "nay."

The Senator from Arkansas [Mr. McCLELLAN] is paired on this vote with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from West Virginia would vote "nay."

I announce further that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Washington [Mr. MAGNUSON], and the Senator from Maryland [Mr. O'CONNOR] would vote "nay."

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

If the Senator from Iowa [Mr. HICKENLOOPER] were present and voting he would vote "yea."

The Senator from Nevada [Mr. McCARRAN] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business.

If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], and the Senator from New Hampshire [Mr. TOBEY] would each vote "nay."

On this vote the Senator from Michigan [Mr. FERGUSON] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Michigan would vote "yea" and the Senator from Vermont would vote "nay."

On this vote the Senator from Indiana [Mr. JENNER] is paired with the Senator from California [Mr. KNOWLAND]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from California would vote "nay."

On this vote the Senator from Nevada [Mr. McCARRAN] is paired with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Nevada would vote "yea" and the Senator from Massachusetts would vote "nay."

The result was announced—yeas 31, nays 41, as follows:

YEAS—31

Bennett	Eaton	Robertson
Brewster	Frear	Schaeppel
Bricker	Hendrickson	Smith, Maine
Butler, Md.	Johnston, S. C.	Taft
Butler, Nebr.	Kem	Watkins
Byrd	Langer	Welker
Capehart	Martin	Wherry
Carlson	McCarthy	Williams
Case	McKellar	Young
Dirksen	Malikin	
Dworshak	Mundt	

NAYS—41

Aiken	Hennings	Maybank
Eastland	Hill	McFarland
Flender	Hoey	McMahon
George	Holland	Moody
Gillette	Humphrey	Morse
Green	Hunt	Murray
Hayden	Ives	Nixon
	Johnson, Colo.	O'Mahoney
	Johnson, Tex.	Pastore
	Kefauver	Smathers
	Kerr	Stennis
	Kilgore	Thye
	Lehman	Underwood
	Long	

NOT VOTING—24

Anderson	Knowland	O'Connor
Bridges	Lodge	Russell
Cain	Magnuson	Saltonstall
Ferguson	Malone	Smith, N. J.
Flinders	McCarren	Smith, N. C.
Fulbright	McClellan	Sparkman
Hickenlooper	Monroney	Tobey
Jenner	Neely	Wiley

So the amendment offered by Mr. DIRKSEN, on behalf of himself and other Senators, was rejected.

The VICE PRESIDENT. The bill is open to amendment.

Mr. GREEN. Mr. President, I move that the Senate reconsider the vote by which the amendment of the Senator from Illinois was rejected.

Mr. CONNALLY. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. GREEN. Mr. President, I now offer, on behalf of myself, the Senator from Connecticut [Mr. McMAHON], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Alabama [Mr. SPARKMAN], the amendment which has already been printed and is at the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 44, in line 6, it is proposed to strike "\$5,043,350,000" and insert "\$5,293,000,000."

On page 45, line 17, strike "\$1,130,500,000" and insert "\$1,675,000,000."

On page 47, line 6, strike "\$396,250,000" and insert "\$415,000,000."

On page 48, line 16, strike "\$122,500,000" and insert "\$175,000,000."

On page 48, line 24, strike "\$40,000,000" and insert "\$50,000,000."

On page 49, line 13, strike "\$40,000,000" and insert "\$50,000,000."

On page 49, line 25, strike "\$535,250,000" and insert "\$555,000,000."

On page 50, line 15, strike "\$178,750,000" and insert "\$262,500,000."

On page 51, line 12, strike "\$75,750,000" and insert "\$62,500,000."

On page 53, line 14, strike "\$38,150,000" and insert "\$40,000,000."

On page 54, line 10, strike "\$15,250,000" and insert "\$22,000,000."

The VICE PRESIDENT. Without objection, the various paragraphs will be regarded as a single amendment, and will be voted on by the Senate as such.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Illinois will state it.

Mr. DIRKSEN. For the information of Senators who have recently come to the Chamber from committee meetings and elsewhere, I should like to ask the Senator from Rhode Island whether he proposes to use the full hour which is available to him under the unanimous-consent agreement.

Mr. GREEN. Mr. President, I do not see how I can make a statement on that point in advance. It is customary for the statements which are made in the course of the debate to be subject to rebuttal, and I do not know what statements may be made by Senators on the other side which may call for rebuttal. Aside from that, I would not use all the time available to me.

The VICE PRESIDENT. Under the unanimous-consent agreement, the time available for debate on the amendment is under the control of the Senator from Rhode Island [Mr. GREEN], and the Senator from Illinois [Mr. DIRKSEN], respectively.

Mr. DIRKSEN. Mr. President—

Mr. GREEN. I yield to the Senator, to permit him to ask a question.

Mr. DIRKSEN. I am making this inquiry only for the convenience of Senators and to facilitate matters for them, because unless requests are made by other Senators for additional time on the amendment, I doubt very much that we shall exhaust all the time available to our side. I think the Senate should be informed whether 2 hours will be taken for debate on the amendment or whether perhaps 30 minutes will be sufficient.

The VICE PRESIDENT. The Senator from Rhode Island is recognized for 1 hour or so much thereof as he may choose to take.

STATEMENT BY ERIC JOHNSTON ON THE DEFENSE PRODUCTION ACT

Mr. BENTON. Mr. President, will the Senator yield, to permit me to make a unanimous-consent request?

Mr. GREEN. I yield.

Mr. BENTON. Mr. President, I am pleased that there are so many Senators on the floor at this time to hear the request I am about to make.

This morning in the Banking and Currency Committee we heard Mr. Eric Johnston, Administrator of the Economic Stabilization Agency, who is one of my oldest and closest friends in the administration, and whom I regard as one of the ablest men in this or any administration. Because I think Mr. Johnston's testimony is of urgent and immediate importance and of great significance to all Members of the Senate, I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD. This very able and eloquent testimony deals with the defects of the Defense Production Act, the impossibility of satisfactorily administering the present law, and the need for the repeal of three parts of the

amended act, as recently recommended by the President.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY ERIC JOHNSTON, ADMINISTRATOR OF THE ECONOMIC STABILIZATION AGENCY, TO THE SENATE COMMITTEE ON BANKING AND CURRENCY, FRIDAY MORNING, AUGUST 31, 1951

I want to express my appreciation for the opportunity to review our stabilization situation with you.

I realize what a back-breaking workload each of you carries, on this committee, on your other committee assignments, and on the Senate floor. I know what a sacrifice it is for you, after so many long months of deliberation on this legislation, to go back once more over what must seem to you the same weary ground.

In justification, I can only say that, in my opinion, the issue is serious enough to warrant the time and effort you are giving to it. For I believe that the new law has brought the stabilization program to a crisis.

In enacting the Defense Production Act in September 1950 the Congress laid down a mandate: Control prices and wages to prevent the defense program from wrecking our economy through inflation.

The Congress provided generally adequate authority to carry out this mandate. Under the law as it was written last September, the inflation touched off by the Korean War was halted in its tracks.

Price and wage controls have proved effective. The cost of living which had soared more than 8 percent in just a few months, has been held to an increase of only 1 percent since direct controls were invoked in January.

When the Defense Production Act was amended a month ago, however, the Congress left the mandate in the act—but took away authority needed to carry it out.

If the act stands as now written, the consequences will be costly. They could be disastrous—to our country, and to the whole free world.

If the act stands, prices will have to go up—unnecessarily. Wages will have to go up—unnecessarily. The costs of rearming will go up—unnecessarily. Taxes will have to go up—unnecessarily. The dollar will sink in value—unnecessarily.

It is vital that none of these things be permitted to occur. Yet they are the inevitable consequences—if the law stands. As a nation, we will be weakened when we so urgently need to be stronger.

This act has put a lot of dents in our economic armor. The dents need attention, but they can wait until a little later.

What cannot wait for attention are three big, gaping holes the act has opened in our economic defenses. That damage needs to be repaired at once. It cannot wait, if we are to cope with the inflationary pressures being generated by our accelerating spending for armament.

That is why I come before you today—to ask you to repair this damage by prompt repeal of these three amendments in the law:

Section 402 (d) (4), a catch-all device for boosting price ceilings whenever business wants to use it;

Section 402 (k), which snowballs every price increase at the manufacturer's level into much bigger increases at the wholesale and retail levels; and

The last sentence of section 101, which prohibits the quota system for orderly marketing of livestock, and thus yanks the rug from under effective control of meat prices.

Mr. DiSalle, the Price Stabilization Director, appeared before you yesterday to testify in detail how these amendments operate

to shoot up prices and impair the price-control structure. I'm sure you do not want me to impose on your time by going over the same ground.

I do want to emphasize the overriding consequences of a substantial and unjustified increase in the general price level, which is what we face under this law.

Such an increase in the whole price level means more than a swing upward in a graph or a new set of statistics.

It means less food and clothing and poorer shelter—if it can be found—for great numbers of Americans on low fixed incomes. For them it means hardship bordering on tragedy.

For hospitals, churches, charitable institutions of all kinds, it means retrenchment and reduction of service to those in need.

It means a whole new wage level. It means a new farm parity level. It means a higher rent level. It means a bigger Government deficit.

It means less defense for our appropriations.

And less defense means national danger.

We have already experienced such tragic consequences. We all remember the buying panic that followed the start of the Korean War in June 1950, before the original Defense Production Act was passed in September, and the second buying panic after the Chinese intervened in late November.

Those inflationary sprees were brought to a stop with the controls on prices and wages last January, but the damage they did will hurt us for years to come.

Surely we do not want to go through that all over again, if we can possibly avoid it. Yet the amended act lessens our chances of avoiding it.

In weakening the act Members of Congress may have reasons either that the inflationary dangers have lessened or that the stabilization agencies could do the job of controlling inflation with fewer and blunter tools.

Neither assumption is justified. Each assumption risks too much.

No one is as familiar with the over-all scope and magnitude of the rearmament and production program now under way in this country and among our allies as Defense Mobilizer Charles E. Wilson.

In his appearance here yesterday Mr. Wilson told you of the military equipment and productive equipment that is pouring forth from our national industrial machine.

But we have not yet begun to see the full impact of this production drive on our civilian economy.

We have not yet begun to feel the full pinch in materials for consumer goods.

We have not yet begun to notice the full repercussions in manpower supply.

The Congress hears so many prophecies of doom and disaster from every side on every issue that comes before it that its skepticism at times is understandable. The cry of "Wolf—wolf" pervades these corridors and committee rooms on almost every bill. I know that.

But can anyone doubt that this vast armament program is generating heavy inflationary pressures at this very moment? Can anyone doubt that these pressures will hit us with a wallop when we are spending at the rate of more than \$60,000,000,000 a year for defense? When 20 percent of our national production will be devoted to defense?

I have no crystal ball. I cannot tell you on what day of what month these terrific pressures are going to smash into the economy.

But it doesn't take a crystal ball to know the pressures are there.

And we should not have to resort to ouija boards to tell us we must be prepared to meet them.

That means we must be prepared now to meet these pressures.

So if the Congress weakened the act on the assumption that the inflationary danger has diminished, that assumption is a risky long shot that I would certainly not want to take when the stakes involve our Nation's safety and security. The danger has not diminished; it is as great as ever.

Can we meet the inflationary danger with fewer and less effective economic weapons?

The Congress, I am certain, would not vote to deprive the armed services of the use of military weapons we now have in our arsenal. Rather, the Congress is consistently voting to increase our armed strength because the dangers of military unpreparedness are so clear to all of us.

Yet in stripping the act of powers we already had to combat inflation the Congress took away vital weapons from our economic arsenal. It was just as if the Congress had ordered the demobilizing of fighting divisions or the moth balling of aircraft carriers.

Even now, in what some contend is a "soft" period in our economy, we are severely handicapped in holding the price, rent, and wage lines.

Most of the basic raw materials are selling at ceiling prices—and pushing hard against them. Many of these same commodities are bringing big premiums on the world market—and thus would shoot up here, too, if they were permitted to pierce the ceilings we have placed on them.

Steel is an example. Even before Korea steel was in tight supply and plagued by a flourishing gray market. Its price has never softened.

Cooper, lead, zinc, aluminum, molybdenum, nickel, sulfur, newsprint, paper of all kinds—these are certainly not soft. The price of cotton has come down substantially because of anticipated record crop yields, but the prices of other materials, such as rubber, wool, and tin, which have slackened some since January because of Government action, are still far above pre-Korea levels, and subject to erratic change at any time.

These materials are essential to the defense production program. And they are not soft.

Here is another sign:

Prices received by farmers for their crops have been going down in recent months—the parity index has been falling—and yet the vast majority of items in the food stores are selling right up at ceiling prices.

I have not heard housewives cheering over soft low prices in the grocery stores. Quite the opposite.

It should be obvious that we need stronger economic weapons not only to deal with the inflationary pressures ahead. We need them, as a matter of fact, to cope with acute price pressures in many important areas of our economy right now—in this so-called soft period.

We certainly cannot do the effective stabilization job which is necessary with tools that are less than adequate. If the Congress weakened the act on the assumption that we could do the job nonetheless, the evidence again clearly indicates the assumption was unjustified and risky.

Our only safe course lies in an integrated program of direct and indirect controls, geared to the scope of the defense program. Our program of controls must be flexible enough to mesh with changes in production needs, with manpower demands, and with materials supply.

We were driving steadily toward just that kind of integrated program, particularly in the direct controls, when the Congress changed the basic standards of the law—first in June with the joint resolution continuing the act for 1 month in a state of suspended animation, and again in July when the amended act was passed.

The law as it now stands has thrown the three basic elements of the economy—industry, labor, and agriculture—out of the balance which had been achieved under

controls in their relationships with one another.

The complete cooperation of all three groups is vital to the success of the mobilization effort. All three are on the front line of the production battle. All three are equals in the stabilization program.

The farmer's protection lay in the parity concept. We cannot control the farmer's prices until they reach parity—a price which reflects his production costs and his living costs. The law does not guarantee the farmer a parity price for his crops, but it does guarantee that he will not be limited to a price below parity.

Now, what about business? The broad principles of parity were also observed for business. The price stabilization program which we developed under the original act did not guarantee the businessman a particular price for his goods, but it did guarantee that he be allowed to charge a fair and reasonable price which reflected his costs of doing business.

And what about labor? The intent of the act was that wage rates must be treated with the same degree of fairness as prices. That equity is provided in the wage stabilization program, which is now nearly complete. A basic plank in this program is the cost-of-living policy hammered out over a period of months and unanimously adopted by the public, labor, and industry members of the Wage Stabilization Board.

It is a fair policy and a sound policy, I believe, to allow wages to reflect changes in the Consumers' Price Index.

The parity concept presupposes, of course, that increases in the general level of prices can be held to a minimum.

Price increases have immediate and far-reaching effects throughout the economy. Therefore, the parity concept can be either a stabilizing force or a tremendously inflationary one.

The new law, forcing ceiling price increases and a general rise in the whole price level, will shoot large areas of business out ahead of the other two big elements in the economy and whip them into a race not just to catch up but, if possible, to get out front.

Can we hope to hold wages if prices are continually rising?

That's an aspect of this problem that the committee must seriously consider. For I see plenty of stresses and strains ahead on this wage policy—plenty of pressures to get out from under—unless we can have a firm and stable and fair price policy.

Without stability, we run the risk of escalating ourselves right through the roof. That is a risk we cannot afford and cannot tolerate in time of great national danger.

A I mentioned earlier, we are primarily interested right now in the repeal—as soon as possible—of the three most inflationary amendments in the new act, the three which will do the most immediate damage to effective stabilization.

I hope the committee can act promptly on these three recommendations. And I hope that at a convenient later date, we can come back to discuss several strengthening amendments which we believe are needed to assure an effective stabilization program.

It is not strictly within the realm of this committee, I realize, but I would like to mention that the action of the House of Representatives in slashing the ESA appropriation from \$141,800,000 to \$75,000,000 will, if allowed to stand, be a crippling blow to the stabilization program. I hope that the members of this committee, because you are probably the most familiar of any Senators with our operating problems, will do all you can to see that the full appropriation is restored.

Now to sum up our position:

Unless the Congress intends to cut drastically all military spending in the current fiscal year and next year, too, the amendments I have mentioned, taken together, will produce inflation.

This inflation will seriously affect the whole defense effort, in addition to causing further needless hardship among millions of our people.

In this situation, the Congress, it seems to me, has these choices:

1. To cut down military expenditures to such an extent that inflation will be avoided—but at the expense of national security.

2. To maintain the military program but continue with weakened economic defenses—taking the risk of letting the whole program collapse through inflation.

3. To strengthen our economic defenses to the point where they can contain inflation while we rearm—thus giving us security against the enemy outside—aggression, and security against the enemy at home—inflation.

Surely the national interest dictates the third course. Then the three amendments should be repealed now while there is still time to head off their damaging consequences.

MUTUAL SECURITY ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Mr. GREEN. Mr. President, I yield 5 minutes to myself.

The VICE PRESIDENT. The Senator from Rhode Island is recognized for 5 minutes.

Mr. GREEN. Mr. President, those who joined in offering this amendment had in mind placing the amount in the bill recommended by the President, the Secretary of State, Secretary Marshall, General Bradley, and other experts on the question of how much is needed in the present emergency. We therefore wish not only to see no further cuts made, as was shown to be the opinion of the Senate in the last vote, but, even further, we wish to restore the cuts which were made by the Foreign Relations Committee in its report.

In our view, it is a serious mistake to call such money, as the bill authorizes, as it has been called many times on the Senate floor, "foreign aid." The money is not at all foreign aid. The appeal has been made not only on the floor, but throughout the country, based on the supposition that it is foreign aid, that we are helping people abroad for whom we are sorry, and that there are limits to the extent to which we should go in taxing ourselves in order to help others.

Mr. President, it is mutual, not foreign aid. We are helping ourselves as much as we are helping the people in the free countries of Europe. For that reason, we emphasize the fact that both the economic aid and the military aid have the same effect. They both help us, and neither represents aimless charity. If we can get that point over, I think that our contention is won.

It is very easy to play upon the prejudice of the American public, who believe that charity begins at home, who believe that our taxes in any event are going to be very heavy, and that, therefore, there are limits to what we can do for others. But that is not the situation which faces us.

I, with other Senators, have but recently returned from a trip through Europe. On that trip we were briefed by our ambassadors and by members of their staffs, by our generals and admirals, who had first-hand information as to the situation there. We also had conferences with the heads of state in almost every country we visited. We visited seven countries, and had information from our representatives, who attended the conferences, regarding six other countries. We came away unanimously of opinion that what we had done already had accomplished as much as could have been hoped for; in fact, that the Marshall aid, which has been derided on the floor today, has been proved a great success. We found a great degree of economic recovery. We found a great change in the morale of those countries; and we found that the principal elements in bringing the change about were the aid and the money which the United States had appropriated, in the form of Marshall plan money and in the form of ECA.

It was also largely attributed to the effect of our action in Korea. The warfare in Korea has also been derided on the floor of the Senate, but it has had repercussions throughout the world. The fact that our country has gone to the aid of a small country which had been unjustly attacked, without any immediate or special interest in it on our part, but simply because we were fighting for a principle which has served the peoples of Europe, has impressed them to a great degree. Previously, they had perhaps said to themselves, "Well, the United States has said they would come to our aid, in case we were attacked. We wonder whether they would." Now they know that we will, because we have gone to the aid of Korea, in which we had much less interest.

The VICE PRESIDENT. The Senator's 5 minutes have expired.

Mr. GREEN. I do not wish to take too much of my own time, and I yield to the Senator from Connecticut 20 minutes.

The VICE PRESIDENT. The Senator from Connecticut is recognized for 20 minutes.

Mr. McMAHON. Mr. President, I doubt that I shall take full advantage of the generosity of my distinguished colleague in yielding me 20 minutes on this amendment, on which I am proud to be listed as a cosponsor, because I have pretty well stated my philosophy on the bill and on what we are trying to accomplish, in my remarks protesting adoption of the amendment which has been defeated—the amendment which I now denominate as the "\$3.25 amendment." Five hundred million dollars represents \$3.25 for everyone in the United States, as the Senator from Illinois reminded us. It was a \$3.25 hack, at General Eisenhower's rear. The Senate has defeated that slash on the rear. To that extent, at least, we have kept faith with the great American who has taken the desperately hard job of marshaling the strength of Western Europe, so that, united, we may be sufficiently strong to withstand the attack of those who would

deprive us of our country, of our liberty, and of our lives.

Mr. President, in the hearings before the committees, and in the hearings in Europe, to which General Eisenhower made such a distinguished contribution, there was not, I insist, a scintilla of evidence in the record which justified the cutting of \$1 from the authorization carried in this bill. But, as butchers, the committee took a hacksaw and said, "Economy is the watchword of the committee. Let us hack this authorization a little bit." So the motion was made, and the committee reduced the military appropriation by 5 percent, and the economic aid that is contained in the bill by 30 percent.

I appreciate that there are bills amounting to \$4,000,000,000 which have not been paid by the Treasury, for commitments which have been made on contracts of procurement for matériel which is to be shipped to Western Europe; but those things are in the process of fabrication. There is a small unobligated balance. That is due to the fact that we were unable to place the contracts for certain items, particularly in the aircraft and electronic field, because of the temporary choke which existed in those production facilities.

Mr. President, the business of mobilizing the free world is speeding up, and I believe that the figure which has been suggested, \$8,500,000,000, which was determined not on the basis, I repeat, of need, but rather on the basis of all that could be produced in the cause of freedom, represents the least we can do if we are to demonstrate that fealty to the ideals of leadership which this country must attain if we are to sustain the hopes and aspirations of the free world.

Mr. President, much has been said about Western Europe. I desire to say a word about General Eisenhower and about his great deputy, General Gruenther. They have taken a Europe which has been tired, which has suffered unspeakable and frightful damage and injury, and have literally picked it up by its bootstraps, until today there is a rebirth and renaissance of morale which, if we tend and nurture and bring it to fruition, will provide a shield behind which we can raise the forces and the armor which will deter the gentlemen in the Kremlin from making what would be a frightful and awful attack. I am hopeful that will be the case, but I must confess that in this world today there is a great deal which gives pause and thought to those who are concerned with the responsibility for the maintenance of our way of life.

I refer, Mr. President, to the breakdown of truce talks at Kaesong. I refer to the troubles in Iran. I refer to a terribly ominous story which appeared in the New York Times of yesterday which sent a cold chill down my spine when I read that the United States of America was being accused of being about ready to attack the Soviet Union and Communist China, because I realize that it has always been the habit of the Hitlerites and the Reds at the Kremlin to charge others with doing what they themselves contemplate doing. That is

the most ominous story which has come out of Moscow, in my opinion, in many and many a day. I think the civilian and military authorities of this country had better be on the alert in the next 30 days, and particularly alert while the peace conference is going on in San Francisco.

With reference to the statement that we shall have a notification of their mobilization, I say they are now 80 percent mobilized, and in view of the position they occupy, they may decide to act without the other 20 percent in order to achieve the advantage they would get by a surprise attack.

Let those who would laugh that off remember Pearl Harbor, as we have been told to remember it time and time again, because, Mr. President, I have never believed that the delivery of atomic weapons will come to America by airplane. Our productive installations and our manufacturing installations are on the coasts of America and on the great rivers of America. I suppose I shall be charged with scare talk. A few years ago a columnist who wrote for a disreputable newspaper chain said I dwelt in an aura of atomic fear. Mr. President, I am not alone in that regard today. I have been there perhaps a little longer than have most people. Fear for my life? No. We are mortal. We all have to die. But I want the people of the United States and the people of the world to die from natural causes. I want to prevent world war III, because I say, again, that if it comes it will be the greatest catastrophe and holocaust the world has ever known.

This bill is an effort to prevent that disaster from happening.

Ah, Mr. President, break down the countries of Western Europe, and the Kremlin would have nowhere else to go with their atomic bombs but to the United States of America. I do not want to imply by that statement that I want to divert the war to Western Europe, for I want to stop it, but I say that would be the effect.

We talk about the \$3.25 that each person would be saved if the Senate had adopted the last amendment which it considered. We are talking now about \$6.50 for every man, woman, and child in America. Just before the last war, in 1938 and 1939, there were men who saved money. They did not build planes, they did not build ships, and they did not build an army. They saved money. And we paid and paid and paid.

Mr. President, unless we take advantage now of building the latent force which exists among free men around the world, we shall pay and pay and pay. Those who are talking about the budget today may not be here to talk about the budget. They may not be here to talk about our lives and liberties or the continued existence of the United States of America. Mr. President, there are none so blind as those who will not see. I say that this is the finest investment that could possibly be made in our defense, because it will assist that great man who has undertaken the difficult task to life up and continue to lift up those who believe in God and in freedom. If we lift them up, pray God we may—

I am not sure—deter the beasts in the Kremlin from turning this world into a shambles.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. MOODY. As the very able and distinguished chairman of the Joint Committee on Atomic Energy, who has shown great foresight in connection with this question, does the Senator from Connecticut have any assurance as to what the Russian plans may be, whether we are in greatest danger of attack in 1952, 1953, or 1954?

Mr. McMAHON. Mr. President, I do not believe anyone has that information except the gentlemen in the Kremlin. That is one of the advantages of a conspiratorial government. They do not have to consult the people. They do not have to talk to a Congress. They do not have to talk to congressional committees that leak like sieves. They talk in a room, and then when they start to maneuver in Eastern Germany, instead of keeping within the maneuver area they swing out, and that will coincide with an attack upon the cities of America, because nothing else makes sense. Hitler and the Kaiser both tried the domination of the world, and left the productive capacity of America untouched. Certainly the Communists are not fools enough to repeat that.

Mr. MOODY. Mr. President, will the Senator yield again for a question?

Mr. McMAHON. I yield.

Mr. MOODY. In view of the fact that the Kremlin now has a stockpile of atomic bombs that could hit the cities of America, as the Senator from Connecticut has just pointed out, does the Senator not believe that it is the responsibility of this Congress to think about the safety and survival of America, and to increase the strength of America and of the North Atlantic Union under a great general like General Eisenhower, just as rapidly as it is possible to do so?

Mr. McMAHON. I most certainly do; and I would say to the Senator from Michigan that the people of the United States do not know to which party the great general belongs, and he has given no indication that he is seeking any further honor, but the newspaper polls show that he is the most popular man in the United States of America. What is his business? He is trying to build the strength where it will be most effective. So I would say to Senators who think they are voting the sentiments of the home folks that the American people are going to know that, although we have sent this man to Europe to do a job for us, yet in order to make a saving of \$6.50 to each person in the United States it is proposed to cut him in the rear.

General Eisenhower has said time and time again, as he said in the record of the committees, that military aid cannot be divorced from economic aid. Ah, we can send guns and guns alone, but do we want to put Communists behind them? Do we want to reduce the living standards of Western Europe to the point where its people will fall ready victims to the siren song of those who would seduce them and proselytize them, or do

we want to keep them strong, as we have made them decently strong, at least by the aid which we so sensibly gave them, and stopped Italy and France and Belgium and Western Germany and other European countries from going down the drain? I say that if we had not done that one thing alone the Russian stockpile, instead of being X, in my opinion, would be three times X.

Mr. MOODY. Mr. President, will the Senator yield again?

Mr. McMAHON. I yield to the Senator from Michigan.

Mr. MOODY. Happily, a few minutes ago the Senate voted down an effort to cut still further the military strength that, in the judgment of the Senator from Connecticut and the Senator from Michigan, should be built up rapidly. I should like to ask the Senator this question: Does he know that the level of military strength contemplated, in the bill as it stands before the Senate now, or even if the full amount asked for is restored, does not even then come up to the degree of military strength declared essential by the top military strategists of the North Atlantic Treaty nations, for the defense of this area that is necessary to our own safety, even 3 years from now? And still the Senate is moving to reduce that strength.

Mr. McMAHON. That is true. In my opinion, they could use \$12,000,000,000 worth of material.

Mr. MOODY. And use it well. General Eisenhower has said the sooner we build our strength, the less it will cost.

Mr. McMAHON. And use it well. But the sum is set at \$8,500,000,000, because that is all we can obtain this year. I see in the Chamber the chairman of the Appropriations Committee, the distinguished and beloved Senator from Tennessee [Mr. McKellar], who has had such a long and honorable career in this body. He remembers the time in 1945 when there was brought to this floor an appropriation bill for \$45,000,000,000, and we passed it in 18 minutes. What for? For the victory in a bloody and terrible conflict.

The PRESIDING OFFICER (Mr. HENNING in the chair). The time of the Senator from Connecticut has expired.

Mr. DIRKSEN. I yield myself 1 minute.

Mr. President, within a short stone's throw of where we are debating today sits a committee of Senators sweating, laboring earnestly to find a million dollars here, a few hundred thousand dollars there, in taxes. They are sitting within a few steps of this Chamber. I am referring to the Senate Finance Committee. They are trying to protect the business structure of the country which generates the wealth which produces the taxes we so wantonly and with blithe spirits and gleeful abandon freely squander. And I think it is squandering, as a matter of fact. This is the most remarkable area of contrast that I know anything about. In that committee they try to find a few million dollars in taxes. Here we are considering an amendment increasing an already huge appropriation by \$1,000,000,000. It is like using a teaspoon in order to get a few taxes

into the Treasury and at the same time at the back door using a scoop shovel to shovel them out.

Mr. President, I now yield 10 minutes to the very distinguished Senator from Mississippi, Judge STENNIS.

Mr. STENNIS. Mr. President, as one of those who attended the joint hearings of the Committees on Foreign Relations and the Armed Services on this bill, and as one of those who voted against the amendment which was rejected a few minutes ago, further to reduce this sum by approximately \$500,000,000, I rise to speak in opposition to the Green amendment, which would restore the \$1,000,000,000 in round figures by which the committee has reduced the bill.

Mr. President, the military budget we are developing this year, and the prospect of the military budgets to come the year after this and the following year, is about to make an isolationist out of a confirmed internationalist. I think it will have that effect on the people of America unless we proceed with more caution.

I have been very much impressed, of course, by what the Senator from Connecticut [Mr. McMAHON] has had to say on the subject on which he is always informed, which he supports with very much zeal, and I claim the privilege of supporting that same program, and have done so in every vote since I have been a member of the Senate, as I saw the facts, and to the extent the figures justified in my mind. But I think we render this Nation a great disservice unless we try to take an over-all view.

We were referred to in the last war as the arsenal of democracy. I use that term sincerely, and not in mockery. At the present time we are also known as the arsenal of money. These programs lean heavily upon us and our money and material resources. I think we had better take a view of the entire picture.

The foreign military and economic aid program will involve appropriations in the neighborhood of \$7,500,000,000. In the last few minutes the Armed Services Committee has reported a military and naval construction bill which will take between five and seven-tenths and six billion dollars. There will be an armed services bill coming to the floor of the Senate perhaps next week, which I understand will carry an appropriation of approximately \$56,000,000,000 for the current fiscal year. That is a total of \$69,000,000,000 of known required amounts. If the Korean War should be resumed, I understand that the minimum estimated for that activity is an additional \$5,000,000,000. It is estimated that there will be at least an additional \$5,000,000,000 in various military supplemental appropriations bills within the next 12 months.

We have additional military programs in the making. I refer in particular to universal military training. It is true that all of the \$56,000,000,000 is not scheduled for expenditure this year, but a great percentage of it is, and all of it will be obligated. So adding the \$5,000,000,000 for the Korean War possibility, and the certainty of some supplemental bills, which I estimate at around \$5,000,-

000,000, that represents a total of \$79,000,000,000 for the current fiscal year for military purposes alone. Assuming that that may be a little too high, at least there is established the certainty of approximately 75,000,000,000 plus, for the military program for 1 year alone.

Mr. President, I do not have much conception of what a billion dollars is, but the other day I read an illustration which to my mind very graphically represents it. I am going to pass it on for whatever value it may have to the membership of the Senate. It was said that if a person with a billion dollars had started in the wholesale grocery business the year Christ was born, and had conducted his business in such a fashion that he lost a thousand dollars every day—not every week, or every month, but every day—he would nevertheless still be in business, and it would be 768½ years more before the United States Marshal would post a bankrupt notice on his door. I did not believe that illustration when I read it, but I figured it out and found that it was correct. That is only \$1,000,000,000. We already have, as a certainty, an appropriation for just one year, for the military budget alone, of a minimum of \$75,000,000,000.

Mr. LONG. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Indiana.

Mr. LONG. In line with what the Senator from Mississippi is saying as to the amount of money we are spending, to apply that to the average family, \$75,000,000,000 would mean \$500 in taxes every year for every man, woman, and child in the United States. That means that we have already reached the point where we are taxing the public so heavily that we cannot tax the rich and get more money. We must tax everyone nowadays. Because we have taxed those in the higher brackets up to 90 percent, there is very little left to take. That means that the average family can expect to be paying \$2,000 a year on the preparedness effort, which will continue for some time. Over a period of 3 years the average family will be paying about \$6,000 for this effort, as it is proceeding now. That is a very compelling reason for saving all the money that can possibly be saved for the people.

Mr. STENNIS. The Senator has well spoken, and I very much appreciate his illustration. I shall touch very lightly on the tax question in a few minutes.

I have outlined the \$75,000,000,000 or \$80,000,000,000 budget for military purposes alone, which is more than twice as much as all the income of all the people just 19 short years ago.

During the hearings I inquired about the possibility of a reduction in the appropriations for the fiscal year 1953. No one offers any hope of the prospect of a reduction for the fiscal year 1953 or for the fiscal year 1954.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. STENNIS. I am sorry, but I hardly have time. I have just about exhausted my time. With great deference, let me decline this time.

That brings me to an aside. I think we must quickly plan some kind of military program as a substitute for the one we are now embarking upon, and hasten the day of universal military training and an effective reserve program, because we cannot continue as we are going.

The President of the United States has issued a call for an additional \$10,000,000,000 in taxes. That will still leave a deficit. The chairman of the Committee on Finance, in a very brief but profound statement a few evenings, pointed out that the new tax bill, which is coming before the Senate will virtually eliminate any opportunity for top level taxpayers to increase their income, build up surpluses, or build up new capital.

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired.

Mr. DIRKSEN. Mr. President, I yield five additional minutes to the Senator from Mississippi.

Mr. STENNIS. I appreciate that very much.

As individuals we do not look after the so-called moneyed interests, but under our capitalistic system they must continue to make money so as to make new capital for expansion. Otherwise we would deteriorate as a capitalistic nation. We have almost reached the point where it is impossible for the moneyed interests to accumulate any more capital. But, worse than that, the Senator from Georgia pointed out that the middleman, the man who makes our form of government, the man without whom the Government could not exist more than a few years, has already been tapped so heavily under this bill that he will not have a chance to get ahead.

Moreover, the chairman of the Finance Committee stated that on top of the proposed tax bill for this year conditions are such that it will be necessary to have an additional tax bill next year.

So, Mr. President, under these distressing circumstances—with the wiping out of the investment-capital accumulations and the wiping out of savings and the opportunity of the great middle group to save, and with still another tax bill coming—we must absolutely save every dollar we can.

On the basis of the testimony, which I have followed very closely, I am satisfied in my own mind that this program can be safely and effectively carried on with the amount authorized by the bill as it came from the committee.

Furthermore, I feel that the people of the United States will not indefinitely continue to support a military program unless they believe that we have screened the various items and trimmed them to the last dollar. Our people are willing to sacrifice, but they must have that assurance.

The Armed Services Committee and the Foreign Relations Committee jointly, consisting of a total of 26 members, very carefully screened these figures. Most members of those two committees are supporters of this program and have supported it over the years. So their recommendation carries great force.

There was some doubt in my mind as to whether or not the program could be reduced to a greater extent than the amount by which it was reduced by the committee, but I resolved that doubt in favor of the program being carried on, because we are committed to it.

The program must succeed, as those who sponsor the amendment say, but I am satisfied that it can continue and will continue under the appropriations recommended by the committee, and that it will not suffer any harm because of a reduction below the amount originally requested. Our economy must receive support, not only from the reduction proposed by the committee, but from any other reduction which we can possibly make.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the distinguished Senator from Louisiana.

Mr. LONG. Mr. President, I certainly hope that the pending amendment will not be agreed to. As a member of the committee which is making a study of the matter, I could not help noting the point which was raised by the junior Senator from Mississippi [Mr. STENNIS] only a few moments ago with respect to the enormous size of appropriations for defense. As I recall, I remarked that the average American family can expect to pay \$2,000 a year in order that America may make the effort we will make to defend the free world.

What is called for by the bill is a tremendous amount of money to spend. We should not spend it lightly. We should spend it so as to get as much good from it as we can. Some families do not make as much as \$2,000 a year.

Mr. President, the committee has made some effort to save some money. However, let no one try to kid any Senator that there is not a great deal of money that could be saved without jeopardizing in any way our security. I have looked over many of the military items and items for national defense on bases on which I served during the last war. I saw permanent housing proposed where temporary housing would have served the purpose. I have seen permanent housing proposed where tents would have been sufficient. I have seen steam-heated barracks constructed where quonset huts would have served the purpose. There are plenty of frills in the military items. It must be remembered that the pending amendment would restore the 30-percent cut which has been made primarily in economic aid for the European nations. We have done a great deal for the European nations already.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. DIRKSEN. I yield two additional minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, certainly we want the people in Europe to fight for their freedom. However, there should be some relativity to the plan. It is my opinion that we are not bargaining or trading hard enough when we try to urge these people to help defend themselves. Let us consider the situation for a moment. The United States of America will go to the greatest expense of any nation in building the

greatest air force in the world. The United States now has the greatest navy in the world. We are putting all behind the North Atlantic Treaty Organization to help protect and defend all the participating countries.

We have sent to Western Europe six divisions of ground troops. They are the best American troops. I would say that the six divisions are some of the best troops in the world. In addition to that, we are now undertaking to pay 50 percent of the dollar cost of the people of Western Europe defending themselves. Is that not enough? Nevertheless we have before us an amendment which would restore the last penny that has been cut from the bill.

Mr. President, a great deal of this money is for diplomacy. We give a certain amount of money to one country in Europe. Then, for fear that a neighboring country may feel hurt, we say we must give that country so much money also, so that they will go along. For fear that some country will not take some money for military purposes, this Nation gives them some money for economic purposes also. We do a great deal of trading, and we try to persuade other countries that we will give them more money for economic aid if they will cooperate in the military field.

I believe we are doing enough, with the amount of \$7,000,000,000 which is left in the bill, without raising the amount to \$8,000,000,000. Certainly when the taxpayers of the United States are giving General Eisenhower \$7,000,000,000 a year to work with, no one can say that we are not contributing our share in building up the North Atlantic Treaty army.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the distinguished Senator from Kansas [Mr. SCHOEPEL].

Mr. SCHOEPEL. Mr. President, a short time ago I joined the distinguished Senator from Illinois [Mr. DIRKSEN] with other colleagues in his amendment to cut \$500,000,000 from the economic aid item proposed in the pending bill. I did so because I honestly felt that the bill could stand a cut of a half billion dollars.

I believe it can be stated, on the basis of what I have found out and what I have heard, not only on the floor of the Senate but from men who have analyzed the situation much more carefully than I have, that the pending bill could stand even a greater cut than \$500,000,000. We must take into consideration what our responsibilities are here at home and cut many of these measures accordingly. We owe that obligation to the American taxpayer.

There is a limit on how much we can tax the American people. According to recent press reports, the Finance Committee is thinking in terms of going down into the everyday life of the citizens of this Nation and taxing many items of everyday use, including washing machines, vacuum cleaners, and many other similar items, in order to raise sufficient money to meet our commitments and to carry on our governmental functions. Our domestic defense and tax bill will be terrific. By

the pending amendment to the bill we are asked to give \$8,500,000,000 to the European nations for aid in one way or another.

I do not quarrel with men who honestly feel that we should put up that much money. I disagree with them. I disagree with them because I feel that if we drive the people of our Nation to the point where they feel they are carrying an unjust burden for foreign nations, we will lessen our ability later on down the line, in my humble opinion, to meet our responsibilities when the dark days come, if they do. We have been most generous in giving our tax money to European nations—billions and billions of dollars of it in the past.

I know it is sometimes popular in the Senate, as it is throughout the country, to herald in the press and by speeches, a series of crises immediately preceding the consideration of the kind of measure which is before us today. We hear it in connection with European aid, and we hear it in connection with controls legislation.

Mr. President, what I am saying is that the American people are becoming skeptical about the great scareheads and the discussion about the calamities which lie immediately ahead of us, whenever this kind of foreign-aid measure comes up in Congress. I do not mean to discount our responsibility for building up the defense of our country and to a degree abroad; but I do say that there is a limit to how far the country can go in meeting what some European nations believe should be our continuing dollars-and-cents grants to them. Therefore I cannot support the pending amendment.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The time of the Senator from Kansas has expired.

Mr. McFARLAND. Mr. President, the Senator from Illinois [Mr. DIRKSEN] has yielded a few minutes to me. I merely wish to state that I expect to cast my vote against pending amendment, but for somewhat different reasons than the ones stated by the Senator from Kansas [Mr. SCHOEPEL]. I believe that we are in a crisis. I believe that there is a danger confronting this Nation, and that there is a danger confronting the world.

A few moments ago when we were considering an amendment proposing a half-billion-dollar reduction in this authorization, I made a plea in support of the committee, because committee members have had an opportunity to visit Europe, to talk to those who are handling the program, and know the facts. The committee has made a report, and the committee has stated that the amount of \$7,500,000,000 is sufficient.

Mr. President, I believe that it is important to give to the people abroad all the money they need to help them to defend themselves, because when they defend themselves they are helping to defend the United States of America. But, Mr. President, this is a program that must and will be continually evaluated. There is no possibility that all of these funds can and will be expended in the next few months. There will be ample

opportunity to determine whether additional authorization is necessary. The Senator from Michigan [Mr. MOODY] and the Senator from Connecticut [Mr. McMAHON] have pending an amendment providing for an investigation "as to the adequacy of the amounts authorized in this act," with particular reference to the degree of military preparedness necessary for the achievement of the objectives of this act. Such a study by the committees insures that the Congress will be at all times fully informed as to the sufficiency of the authorization for this program.

However, whether or not the Moody-McMahon amendment is adopted, I am sure the cognizant committees will constantly study the program and its needs. I take it that if they find that more money is needed, they will recommend that we authorize the appropriation of more money.

I believe, therefore, Mr. President, that we are better off today if we stand by the committees' recommendation and approve the authorization they recommended. It was their best judgment, it was made after giving careful study to the entire situation at first hand, and it represents our own legislative arm's expert opinion. We ought to stand by it since the program is in no wise jeopardized by not increasing the authorization at this time.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Idaho [Mr. DWORSHAK].

The PRESIDING OFFICER. The Senator from Idaho is recognized for 5 minutes.

Mr. DWORSHAK. Mr. President, naturally I am opposed to this amendment because I was a cosponsor of the other amendment, which provided that the economic aid be reduced half a billion dollars.

It is unfortunate that this bill comes to us in one package, thus denying to the Senate an opportunity to favor making funds available for only military aid in Western Europe and elsewhere. In its present form the bill forces the Members of the Senate either to take the entire amount or to reject the entire amount. So far as I am concerned, Mr. President, that is entirely inequitable and unfair, because it denies to the Members of this body an opportunity to favor any military assistance which may be meritorious and to oppose other parts of the program.

A few minutes ago the majority leader said the United States faces a crisis—another crisis now, Mr. President. However, it is not really another crisis; it is the same crisis in which the United States has been involved for more than 18 years, ever since the New Deal administration took over. Always we are told that we are faced with a crisis, an emergency of some kind or other, so that the politicians and the economic planners in Washington can rouse the people, through the press and over the radio, to face "the great crisis confronting our Nation."

Mr. President, the American people are beginning to realize that what we need is, not an expansion of our spend-

ing program abroad, but a reexamination of our foreign policy.

Appeals are made by Senators on the other side to "keep faith with the people abroad." Mr. President, that is a wonderful appeal, "to keep faith with the American people," by spending more money abroad, so that we shall have more friends, more allies, so it is claimed, scattered all over the world, to defend America. Mr. President, I think it is more important to keep faith with the American people, than to keep faith with the nationals of countries scattered all over the globe.

In the past several years I have heard a great deal said about the need to take "a calculated risk." I cannot tell you what "a calculated risk" is, Mr. President; and I doubt whether the American people know what "a calculated risk" is. However, at the conclusion of the World War II fighting we were told that it was necessary to make loans through international agencies and through bilateral agreements in order to build up the economic stability of certain countries, so as to fortify them, in order that they might cooperate with us militarily in resisting Communist aggression.

First we were asked to make loans and grants; then we were asked to adopt the Marshall plan. O Mr. President, we were told that if we just adopted the Marshall plan that would be the end of our spending abroad, because then the recipient countries in Western Europe would become so strong economically and militarily that they could defend themselves, and it would no longer be necessary for them to use American crutches.

Mr. President, the Marshall plan has reached its termination; yet in the bill now before us, a bill ostensibly for the purpose of military aid, we find included an authorization for the appropriation of \$1,500,000,000 for economic aid.

Again I say it is difficult for a Member of the Senate to vote for a certain amount of military aid by means of this bill, because in view of the present parliamentary situation we must accept the entire package, the entire bill, if we accept any part of it.

Mr. President, while we are talking during this debate and while the so-called experts in the State Department are talking about having the military forces in Europe today build up our defenses against Communist aggression, let me take just a few minutes to call the attention of this body to another occasion when an overwhelming number of Senators responded to the appeals of the so-called experts.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired.

Mr. DIRKSEN. Mr. President, I yield five additional minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for five additional minutes.

Mr. DWORSHAK. Mr. President, it might be pertinent to point out at this time that although an agreement has been entered in regard to a division of the time available for this debate, the

present occasion, when the Senate is considering this important problem, is one of the few instances in the history of this august body when there has not been a widespread clamor on the part of Senators for additional time for debate. I do not like to believe that is a direct result of the apathy and the indifference of the Members of this body as they consider authorizing the expenditure of \$7,500,000,000. After all, Mr. President, that is not very much, so we are told—but it is as much as the entire revenue collections made by the Federal Government in the year preceding Pearl Harbor.

Mr. President, the Members of this body apparently do not care very much, because, regardless of how much money is spent, there probably will be a large deficit. I observe that the Senator who now is presiding over the Senate is the distinguished senior Senator from Georgia [Mr. GEORGE], the chairman of the Finance Committee, which is laboring diligently every day on a tax bill, in an endeavor to get a painless tax bill by means of which to extricate an additional \$6,000,000,000 or \$7,000,000,000 or \$8,000,000,000 from the pockets of the taxpayers of our country. That is a difficult problem. However, regardless of the amount of revenue raised by means of the next tax bill, we probably shall have a deficit of \$12,000,000,000 or \$15,000,000,000 this year, and probably twice that much next year.

Probably there is no particular reason why any Member of this body should be interested, inasmuch as we have had deficits for almost every one of the past 18 years; and the taxpayers are not much concerned about increased taxes, for they have become inured to that sort of experience and that sort of exploitation by this administration.

So I presume that is why there is no request by many Senators for the allotment to them of time in which to engage in this debate or to speak on this subject. This matter seems to be relatively unimportant in the great deliberations of this body—the mere authorization of the appropriation of \$7,500,000,000.

Mr. President, I started to call attention to another occasion when we listened to the great authorities and the great experts. It was in May and June 1947. At that time we were exhorted to vote for ratification of a peace treaty with Italy. I cannot take time now to go into detail regarding it, but what that treaty did was to demilitarize Italy. At a time when we were supposed to be building up the free nations in the world against Communist aggression, 79 of the Members of this body accepted the advice of the experts and the authorities to ratify that treaty. It was said to be essential, although it was very inconsistent with the need of Italy to defend herself against the Communist hordes. That treaty caused the demilitarization of Italy and made Italy almost defenseless in the face of Communist aggression. I am one of the 10 Senators who at that time defied public sentiment and the propaganda which had covered this Nation. I was unwilling to accept the recommendations of the so-called experts.

Only recently we read in the press that de Gasperi, the Premier of Italy, is planning to visit the United States in the next week or two, to make an appeal to the Nation—to the President, to the State Department, to the Congress, and to the people of the United States—for a revision of that infamous Italian peace treaty. Other articles state that representatives of France are being sent to the United States to seek a revision of that peace treaty.

Mr. President, I am reluctant to believe what I read yesterday, namely, that our "greatest" authority of all, Secretary Acheson himself, has said that he believes the time has arrived to make revisions in the Italian peace treaty, so that Italy and the people of that great nation may be placed in a position so they may contribute something to the defenses of Western Europe against Communist aggression.

The PRESIDING OFFICER. The time of the Senator from Idaho has again expired.

Mr. DIRKSEN. Mr. President, I yield two additional minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for two additional minutes.

Mr. DWORSHAK. Again, Mr. President, I thank the Senator from Illinois for his courtesy. I shall conclude promptly. I merely referred to this situation involving the proposed revision of the Italian peace treaty to show that the so-called experts and authorities can be wrong. In fact, the record of the deliberations in Congress since the end of hostilities in World War II will show that in most cases the authorities and the experts have been wrong. So I should like to emphasize at this time that while we are importuned and exhorted by the great authorities and by some leaders in Congress to make \$7,500,000,000 available for spending abroad, I am willing to stop and consider whether it is necessary to continue spending everywhere on the globe these billions of dollars, which ultimately must come out of the pockets of the American taxpayers.

Mr. President, when we consider the fact that \$35,000,000,000 has been expended abroad since 1945 to insure the peace, I ask, what peace? Peace in Korea? Oh, that is just a cold war, a hot war—call it anything one may want to call it. But it is one of those "calculated risks" taken by the American Congress and the people, following the leadership of this administration. A calculated risk to insure peace? Ask those gallant young Americans and other soldiers of the United Nations who are fighting in Korea whether they are today having peace.

I say, Mr. President, that we are still in this same crisis which has faced the country for 18 years. This crisis is used to justify the spending of these billions of dollars abroad, to intimidate the American people into accepting all of these administration policies, because they are calculated risks.

Mr. President, I believe the American people realize, finally, that something must be done to reexamine our foreign

policy, including the agreements made at Tehran, Yalta, and Potsdam, in order to find out whether the American people can continue, from an economic standpoint, militarily, or any other way, to follow blindly the foreign policies and the domestic economic policies of this administration, which promises peace, but which gives us war, which promises us prosperity, even though it may be a phony or synthetic prosperity, but which in fact is threatening our Government with insolvency.

So far as I am concerned, I think we ought to consider the welfare of the American people quite as much as we consider the welfare of people of countries abroad.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the Senator from Maine [Mr. BREWSTER].

The PRESIDING OFFICER. The Senator from Maine is recognized for 3 minutes.

DEATH OF REPRESENTATIVE FRANK FELLOWS

Mr. BREWSTER. Mr. President, in the untimely passing of Representative Frank Fellows, my successor as a Representative of the Third Congressional District of Maine, the State of Maine and America have lost a superlative public servant, and one who has left a deep impress upon his associates in the Congress. After a brilliant career at the Maine bar, as one of the great trial lawyers of our generation, Representative Fellows turned his splendid talents, and his wealth of experience with all the problems of humanity, to the full-time service of his State and Nation.

Disappointed and disillusioned, at first, as he peered behind the scenes at the seamy side of politics, there seemed many times when he considered seriously returning to the law he loved so well. Gradually the challenge of the Congress grew on him, with the opportunity not only to serve the people of Maine, but to affect the course of his country and the world in the unsettled and changing era in which we live.

His handling of the displaced-persons legislation in the House will long stand as a monument to the warmth of his human understanding, his profound sympathy for suffering humanity, and a parliamentary skill and mastery of the entire intricate situation that is all too rarely seen in Congress in this generation.

His pungent humor masked a philosophical understanding of human problems and human frailties, coupled with a perception of the meaning of America and a devotion to what he conceived to be its fundamental principles, that uniquely qualified him to serve his State and country. His life and work will long serve to inspire those who were privileged to know him. His friends were legion, and their loss is great.

MUTUAL SECURITY ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assist-

ance to friendly nations in the interest of international peace and security.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island, for himself and other Senators.

Mr. GREEN. I yield 10 minutes to the Senator from New York [Mr. LEHMAN].

The PRESIDING OFFICER. The Senator from New York is recognized for 10 minutes.

Mr. LEHMAN. Mr. President, the vote on the pending amendment will tell the Kremlin how deep runs our determination to have a strong free world. This vote will tell the free nations of the world—our allies, our friends, and those largely uncommitted—how strong runs our desire to see all the people of the free world helped in their economic, as well as their military needs.

Mr. President, let us not lose sight of the fact that we are dealing not only with governments, with names like Great Britain, France, Lebanon, and the Philippines, but also with people, with John, Francois, Ali, Fritz, and Juan De La Cruz—individuals, simple people.

Most of them are determined today to preserve or to gain their freedom. But they are also concerned, deeply concerned, with the problem of gaining by the sweat of their brow, food, clothing, shelter, and economic sustenance for themselves and their families.

We must continue to show these people that the American Nation is interested in the economic as well as the political phase of their existence. We must continue to show that we are not trying to mobilize mercenaries to fight, but to help men to live.

This circumstance and many others challenge us to vote the full amount requested and recommended by the President and his economic and military advisers. I cannot see how we can fail to vote the funds—and all the funds—necessary for this undertaking. From the taxpayers' viewpoint, from the viewpoint of the American people, we are now offered a bargain in national security. We can help these peoples, these nations, to stand on their own feet and contribute to the strength of the free world, or we can haggle and cut, and balance the budget while unbalancing the strength of the world this side of the iron curtain.

Mr. President, the title of the pending bill is the Mutual Security Act. It might also be called the Strength and Peace Act. This legislation is designed to build strength throughout the world, and especially in those critical areas upon which depends the salvation of freedom for our time. It is designed also, and by the same token, for the preservation of peace for our time.

This legislation is the hope of the free world for peace. Peace through strength—that is the prescription of the legislation.

I do not believe that the peoples of the free world, in either Europe or Asia, are willing to gird for war, if the object is war. They are willing to gird for peace, and to prepare for war, so that they may enjoy peace.

Their will to resist aggression has grown by leaps and bounds in the last 12 months. They are willing now to fight to defend freedom, and their own security, if that proves necessary. That is the miracle which has been wrought by our leadership—the leadership of our Government, of our leaders—President Truman, Secretary Acheson, Secretary Marshall, and last but among the first, Gen. Dwight D. Eisenhower.

Since Korea, the defense budgets of our allies in the North Atlantic Treaty Organization have increased by 74 percent. Eight percent of the gross national product in these nations is now going for defense, slightly more than one-half the proportion in the United States. This slice is coming out of an area whose per capita income is less than one-third that of the United States. This means to me that the governments and people of Western Europe are determined to fight for freedom if necessary, and to make the vital sacrifices.

But those sacrifices cannot be measured in terms of simple statistics. Budgets do not tell the story. The size of forces under arms do not tell the story. All those people live in the shadow of aggression.

The brutal forces of Soviet domination threaten every man, woman, and child in Western Europe. If the blows should fall, they will fall on these people.

Those in the Armed Forces have far less to fear than have the civilians. The leaders of those governments—those who have committed their nations to the present course—stand in a much more deadly danger than any soldier. And all who share in the social, religious, political, and cultural life of those nations stand to lose all if aggression comes and succeeds. The more the resistance to aggression, the more terror for all the people, if resistance fails. We who stand on the distant rim of events, and yet who dominate them, cannot forget this simple fact.

I appeal to Senators and to all my countrymen to put politics aside, to forget the advantage which might be gained by voting for cuts in appropriations. There is a time and place for rigid economy. This bill is not it. We shall not have profited from alleged economy if we lose our lives, or, what is to me even more important, our liberties.

I appeal to my colleagues to vote the full funds, to vote these dollars which can save the lives of our boys and many millions of men, women, and children, sons and daughters, and fathers and mothers here and abroad.

I appeal to my colleagues to vote for these funds for the sake of freedom, for the sake of strength, for the sake of peace.

Mr. GREEN. Mr. President, I yield 10 minutes to the junior Senator from Michigan [Mr. MOODY].

The PRESIDING OFFICER. The Senator from Michigan is recognized for 10 minutes.

Mr. MOODY. Mr. President, the question, as I see it, is whether the United States of America and the free world are threatened by communism or whether we are not threatened; whether

the danger to the American people is a figment of someone's imagination, as we might conclude from some of the discussion here, or is a real danger. If it is not a figment of someone's imagination, if we are in danger, then I think it is obvious we should set up a force in the free world to protect ourselves if we are attacked, and, if possible, to make the world so strong that not even the 14 gangsters in Moscow would dare to attack us.

The question is, what yardstick, what measure, are we going to use to decide how we should make ourselves stronger?

In my judgment, the yardstick should be the amount of strength needed to defend ourselves, as estimated by men like General Eisenhower, General Bradley, and the other military experts who have gone into the question of defending the free world. They have made a strategic plan for the defense of the free world. They have put down the number of divisions, guns, and planes which are necessary to carry out the strategic plan of defense. Anything less than that is playing patty-cake with the Nation's peril. That is what the Senate is doing this afternoon if it cuts this fund.

Mr. President, I went to the headquarters of the American and Allied generals abroad and endeavored to find out the facts about the matter of defense.

The real question is: Is the level of military strength presented in this bill adequate to do the job? Based upon the estimate of what the top allied strategy board says is essential, the answer to that question is "No."

Of course, a final judgment on this question cannot be reached until we have all the facts. The distinguished majority leader a few minutes ago mentioned the fact that the Senator from Connecticut and myself had suggested an amendment to the bill which would call upon the two committees of the Senate to make a restudy of the adequacy of the appropriation, in the light of the fact that it does not come up to what the top military board of experts of the North Atlantic Treaty Organization say is necessary for the defense of the free world. I am glad to have the assurance of the leadership that such a continuing survey of other strength will be made.

Like other Senators, I believe the American taxpayer's dollar must be preserved. We must get our money's worth. I came back from the trip abroad with the conclusion that if we are to be content with the level of military strength contemplated in this bill, the total appropriation should be reduced. But I think it is a far more intelligent approach, since we are in danger of attack by Russia, to see what may be done about using the appropriation asked to increase our strength.

Therefore, Mr. President, I had prepared yesterday three amendments which I felt would insure a greater military strength, get us more guns for our dollars.

One of those amendments would provide for the creation of a pool of weapons in Europe, to be furnished by greater

production in European factories, paid for out of European budgets. By stimulating production of military equipment in Europe, we can get more for our money.

The second amendment would require our allies to contribute their maximum economic effort, as measured by American experts, to build allied strength. The third would require the use of virtually the entire counterpart fund, created by Marshall plan dollars in those countries for military or defense-related uses.

The wise thing to do, in my judgment, is to employ our control over counterpart to get greater production of weapons, rather than cut the speed of building our strength when it is so far short of our requirements. But Congress seems about to vote a slash in the amount needed for the defenses of this country and Allied countries against the Red menace with the votes of many of those who like so well to talk about it all the time.

Mr. McMAHON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Michigan yield to the Senator from Connecticut?

Mr. MOODY. I am glad to yield.

Mr. McMAHON. There are those who are talking and writing about the Reds, and they want to chase this fellow and that fellow all over the country, and they want to create spectacles to show how pure and patriotic they themselves are, but they fall down when it comes really to the point of erecting a shield against the Reds.

Mr. MOODY. They do not stand up when the chips are down.

I will say, Mr. President, that I decided to withhold the amendments because I was advised and assured by the responsible officials of the Economic Cooperation Administration that these three methods, which would give us more for our dollars, will be pushed vigorously. I am not content with the amount of military strength contemplated in this bill. Nevertheless, I think Congress should appropriate that money under policies which will require our allies to give a greater effort. Then I believe that the entire question should be restudied to see whether or not Congress is endangering this Nation's safety when it provides the clear requirement declared essential by experts in whom we all profess to have the greatest confidence. I believe the American people, too, have great confidence in these men.

I think the American people would be shocked if they had the facts and knew how far the pending bill falls short of what we should be doing if we believe we are threatened by Red Russia today. Of course, some Americans say we are not so threatened, that the danger is a manufactured one; that the contention that communism is sweeping over a part of the world is a part of a political scheme to perpetuate someone in office.

Some may believe that. I do not believe it. I think the world and our country are in terrible danger. I believe the basis and foundation of the strength that

must protect this free world lies in America; in the American economic system which we must safeguard, and also in the American and allied military strength, which we must provide. Therefore, I think it is penny-wise and pound-foolish at this point to fail to come up to the requirements that the top NATO board members say are essential for the safety of the world.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. GREEN. Mr. President, I yield 2 minutes more to the Senator from Michigan.

Mr. MOODY. Mr. President, I thank the distinguished Senator from Rhode Island, but I have completed my statement.

Mr. GREEN. Mr. President, how many minutes are left on our side?

The PRESIDING OFFICER. The Chair is advised that the Senator from Rhode Island has at the disposal of his side of the issue 17 minutes.

Mr. GREEN. Mr. President, I yield myself the remaining time.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. GREEN. Mr. President, I have been somewhat surprised to hear Senators on this floor using the same arguments in the United States of America today that I heard used in Europe a year ago. At that time people in some of the European countries were saying the same thing that is now being said here. They said, "We cannot afford to fight this Russian Army that is already almost on our borders. What does it mean if we fight? It means we cannot win. It means that in fighting in vain we would sacrifice the lives of our sons. It would mean the killing off of the next generation. It would mean that we would lose all our property, that our buildings would be bombed, and whatever property was left would be taken by the conqueror. We cannot afford that."

Mr. President the argument—"we cannot afford that"—is the same as that being used here this afternoon. But, Mr. President, it is not a question of whether we can afford to prepare for a great war. The proposed appropriation is partly for a war, if it comes. It is partly expenditure to prevent the coming of a war. But it is said, "We cannot afford it." What does that mean? It means, if we carry the argument to its logical conclusion, that we should do away with our Army, we should do away with our Navy, we should not make appropriations for atom bombs, and so forth, and that thereby save all that money.

We hear much said about taking money out of the taxpayers' pockets. It is the representatives of the people who are voting to appropriate money to defend the people. It is not a question whether we can afford it. It is a question of whether we can afford not to do it.

Mr. President, the same people in Europe who, a year ago, said, "We cannot afford to fight the Russian armies," have changed their point of view during the year. A marvelous change has come over them. They now say, "There is more

to be considered than saving our lives and the lives of our sons and saving our cities and saving our property. We want to save our liberties. They will be gone forever if we do not fight."

Mr. President, when we were in Europe we were told that some of the nations of Europe will fight to the death, even if the United States does not come to their aid and join with them in what should be a mutual defense of all our liberties. It is a wonderful change that has come over them, as I have already stated.

But, Mr. President, the same arguments that were used by people in European countries a year ago are raised now by some Senators on the floor of the United States Senate. They say, "We cannot afford it. We must keep our money in our pockets." Mr. President, what good will the money do in our pockets in case we lose the war?

Then it is said, "We can afford to spend a certain lower amount." That is like the case of a man who falls through a hole in the ice and a crowd gathers around, and someone calls out, "Get a rope." The question is asked, "How long a rope do we need?" "We need 20 feet. Go to the store and get 20 feet." Some men run to the store and buy a rope and bring it back with them. They say, "We thought we could get along with 15 feet, and here it is." That is the kind of argument we are listening to here this afternoon.

Mr. President, America today faces the gravest threat of its existence. Soviet totalitarianism dedicated to the premise that Communists must rule the world, is operating fully in keeping with that premise. A Korea of today can become a global holocaust of tomorrow. Foreign battlefields can become American battlefields unless we act now to prevent it.

The mutual security program currently before the United States Senate represents America's only sane answer to the terrible problem posed by the Kremlin's designs. It represents our only effective weapon for building the sort of democratic bulwark which can withstand the impact of communism.

We Americans want peace. We want to preserve the liberties and the high standard of living which have made our civilization an example to the whole world. But we must be prepared to pay the price of maintaining our civilization.

Twiddling thumbs and pinching pennies will not serve the purpose. President Truman has asked Congress to appropriate \$8,500,000,000 for military and economic aid to the other free nations of the world. That amount is roughly 2 percent more than we spent during the past year. The President has made it clear that eight and one-half billions is the minimum required to build the unity and strength of the free world to the level which will deter Communist aggression.

The House of Representatives has trimmed almost \$1,000,000,000 off the amount requested by the administration. The Senate committees charged with consideration of the mutual security bill have reported it to the Senate with a

cut roughly equal to that of the House. The committees' ax has fallen almost exclusively on the economic aid provisions of the bill. Yet economic aid to our allies is as important as outright military aid. Both are essential to American security.

America today is anything but self-sufficient. We cannot "go it alone," to use the phrase of a distinguished general. Our security is fully dependent upon that of the other free countries.

Our industrial production at its peak is just 55 percent of that of the entire free world. We produce only 19 percent of the free world's basic strategic materials. All of our tin, natural rubber, and jute come from abroad. We import 70 percent or more of our chrome, bauxite, and manganese.

Western Europe alone, with its great reservoir of skilled manpower, its strategic position, and its productive capacity, can represent the difference between a democratic peace and totalitarian slavery for all the free peoples.

Free Europe in the Soviet bloc's hands would clearly swing the balance of power to communism. It would see America outmanned, outgunned, and outproduced. Clearly we need Europe, as Europe needs us.

But of what earthly good are American arms to Frenchmen, Britishers, and others whose economies are so out of balance as to prohibit both the desire to use them and the means of using them?

Are our friends overseas going all out to fight the battle of democracy—our battle as well as theirs—if we withhold the economic assistance needed to step up their military production without further depressing an already skimpy standard of living? No; they are not; nor can we expect them to do so.

The mutual-security program, as proposed by President Truman, is the key to America's salvation, as well as that of our allies. The United States Congress should enact a mutual-security bill which includes the full eight and one-half billions in foreign assistance originally requested. It should restore the dangerous cuts in economic aid already made.

Failure to do so would mean toying with America's survival. It is my firm conviction that enactment of the full \$8,500,000,000 mutual-security program is what the necessities of the situation call for.

Mr. MAYBANK. Mr. President, will the Senator from Rhode Island yield to me?

Mr. GREEN. I yield to the Senator from South Carolina whatever time is left.

Mr. MAYBANK. Mr. President, I merely wish to invite the attention of Senators who will be members of the conference to a request which has been made of me as chairman of the Committee on Banking and Currency for the reason that the nomination of Mr. Jess Larson has been sent down for confirmation under certain circumstances.

On Tuesday, August 28, 1951, the President issued an Executive order creating the Defense Materials Procurement

Agency. This Agency will operate under the direction of Mr. Charles Wilson, of the Office of Defense Mobilization, and its functions are necessary in order that the competition between agencies of the United States Government in world markets be eliminated, and that critical and strategic materials be procured by only a single agency representing the American people. This is both a commendable and necessary step in our whole emergency program.

I note that section 509 of H. R. 5113, as reported, provides for \$55,000,000 of funds to promote increased production of materials in which the United States is deficient.

I trust that when the conferees come to the discussion of this section that they consider the recent action of the President and in the interest of efficiency and security that they give consideration to the vesting of the authority created by this section in the President of the United States in order that he may delegate to the appropriate agency which has been created for the purposes to which I have referred.

Likewise the officers of such agency should be clothed with the appropriate diplomatic status to properly carry out their responsibilities in connection with government to government negotiations.

Mr. President, I ask that the conferees give consideration to what the President of the United States has recommended in the interest of economy and efficiency in the conduct of our foreign relations.

Mr. GREEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	McFarland
Bennett	Hayden	McKellar
Benton	Hendrickson	McMahon
Brewster	Hennings	Millikin
Bricker	Hill	Moody
Bridges	Hoey	Morse
Butler, Md.	Holland	Mundt
Butler, Nebr.	Humphrey	Murray
Byrd	Hunt	Nixon
Capehart	Ives	O'Mahoney
Carlson	Johnson, Colo.	Pastore
Case	Johnson, Tex.	Robertson
Clements	Johnston, S. C.	Russell
Connally	Kefauver	Schoeppel
Cordon	Kem	Smathers
Dirksen	Kerr	Smith, Maine
Douglas	Knowland	Stennis
Duff	Langer	Taft
Dworshak	Lehman	Thye
Eastland	Long	Underwood
Ecton	Magnuson	Watkins
Ellender	Martin	Welker
Frear	Maybank	Williams
George	McCarthy	Young
Gillette		

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. GREEN] for himself and other Senators.

Mr. LANGER and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from Maryland [Mr. O'CONNOR] is absent because of a death in his family.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Arkansas [Mr. FULBRIGHT] is paired on this vote with the Senator from Maryland [Mr. O'CONNOR]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from Maryland would vote "nay."

The Senator from Nevada [Mr. McCARRAN] is paired on this vote with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Nevada would vote "nay," and the Senator from Alabama would vote "yea."

The Senator from Arkansas [Mr. McCLELLAN] is paired on this vote with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from West Virginia would vote "yea."

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], and the Senator from North Carolina [Mr. SMITH] would vote "nay."

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

If the Senator from Iowa [Mr. HICKENLOOPER] were present and voting he would vote "nay."

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing

of the Japanese Peace Treaty at San Francisco, Calif.

If present and voting, the Senator from Washington [Mr. CAIN], the Senator from Michigan [Mr. FERGUSON], the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senators from Massachusetts [Mr. SALTONSTALL and Mr. LODGE], the Senator from Nevada [Mr. MALONE], the Senator from New Jersey [Mr. SMITH], and the Senator from Nebraska [Mr. WHERRY] would each vote "nay."

On this vote the Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from California [Mr. KNOWLAND]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from California would vote "nay."

The result was announced—yeas 17, nays 56, as follows:

YEAS—17

Benton	Humphrey	McMahon
Clements	Kefauver	Moody
Green	Kerr	Morse
Hayden	Kilgore	Murray
Hennings	Lehman	Pastore
Hill	Magnuson	

NAYS—56

Alken	Ellender	McKellar
Bennett	Frear	Millikin
Brewster	George	Mundt
Bricker	Gillette	Nixon
Bridges	Hendrickson	O'Mahoney
Butler, Md.	Hoey	Robertson
Butler, Nebr.	Holland	Russell
Byrd	Hunt	Schoeppel
Capehart	Ives	Smithers
Carlson	Johnson, Colo.	Smith, Maine
Case	Johnson, Tex.	Stennis
Connally	Johnston, S. C.	Taft
Cordon	Kem	Thye
Dirksen	Langer	Underwood
Douglas	Long	Watkins
Duff	Martin	Welker
Dworshak	Maybank	Williams
Eastland	McCarthy	Young
Ecton	McFarland	

NOT VOTING—23

Anderson	Knowland	Saltonstall
Cain	Lodge	Smith, N. J.
Chavez	Malone	Smith, N. C.
Ferguson	McCarran	Sparkman
Flanders	McClellan	Tobey
Fulbright	Monroney	Wheerry
Hickenlooper	Neely	Wiley
Jenner	O'Connor	

So the amendment submitted by Mr. GREEN, for himself and other Senators, was rejected.

The VICE PRESIDENT. The bill is open to amendment.

Mr. AIKEN. Mr. President, I call up the amendment identified as "8-29-51—B," which I now offer on behalf of myself and the Senator from Michigan [Mr. MOODY].

The VICE PRESIDENT. Does the Senator from Vermont wish to have the entire amendment read?

Mr. AIKEN. No, Mr. President. The amendment is now at the desk.

The VICE PRESIDENT. Without objection, the amendment will be printed at this point in the RECORD, and will be considered as having been read.

The amendment submitted by Mr. AIKEN, on behalf of himself and Mr. MOODY, is as follows:

At the end of the bill add a new title, as follows:

"TITLE VI—GREAT LAKES-ST. LAWRENCE BASIN DEVELOPMENT

"SEC. 601. As provided by article XIII of the Boundary Waters Treaty of 1909 between

the United States and Great Britain, the agreement made by and between the Governments of the United States and Canada, dated March 19, 1941, published in House Document No. 153, Seventy-seventh Congress, first session, is hereby approved, with the exception of article VII, article VIII, paragraph (c), and article IX thereof, and the President is hereby authorized and empowered to fulfill the undertakings made on behalf of the United States in said agreement, with the exception of article VII, article VIII, paragraph (c), and article IX, upon the receipt by him of satisfactory evidence of the approval of said agreement with the exceptions provided above, by reciprocal or concurrent legislation of Canada: *Provided*, That the President, before said agreement enters into force, obtains satisfactory assurances, by exchange of notes or otherwise, that the Government of Canada agrees to the principle of making the new deep-water navigation works on the St. Lawrence River herein authorized self-liquidating by charging reasonable tolls, this principle to be implemented through the conclusion of arrangements satisfactory to both Governments pursuant to section 603 of this title.

"SEC. 602. It is the sense of the Congress that it would be desirable for the President to negotiate with Canada a treaty with reference to the matters provided for in article VII of the agreement of March 19, 1941, including provisions with respect to the perpetual navigation rights on the Great Lakes, on the connecting channels and canals and in the wholly Canadian sections of the St. Lawrence River; and to submit such treaty for the advice and consent of the Senate of the United States.

"SEC. 603. (a) During the period of construction the President is authorized and directed to negotiate a further agreement with the Government of Canada, under the provisions of the Boundary Waters Treaty of 1909, defining the rates of charges or tolls to be levied on cargoes and passenger traffic using the new deep-water navigation facilities on the St. Lawrence River, authorized in this title: *Provided*, That (1) the total charges shall be fair and equitable and shall give due consideration to encouragement of increased utilization of the navigation facilities, and to the special character of bulk agricultural, mineral, and other raw materials; (2) that tolls shall vary for ships in ballast and according to the character of cargo with the view that each classification of cargo will so far as practicable derive relative benefits from the use of these facilities; (3) that in no event shall the total charges exceed the equivalent of \$1.25 per short ton of laden cargo, and may be less depending on character of laden cargo; (4) that tolls shall apply only on traffic utilizing the new deep-water navigation works on the St. Lawrence River, with such exception of local or way or Government traffic as may be agreed upon by the two countries: *Provided further*, That such agreement shall become effective only after approval by the Congress of the United States and the Parliament of Canada.

"(b) The President may, at his discretion, appoint a St. Lawrence Advisory Commission, to cooperate with similar representatives of the Government of Canada, for the purpose of studying and, after public hearings, making recommendations to their respective Government on the administrative, technical, and economic aspects of a toll system on the proposed 27-foot St. Lawrence canals, as a basis for the agreement on tolls proposed in this section.

"SEC. 604. (a) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be required to carry out the provisions of this title and to enable the United States to carry out the undertakings hereby authorized.

"(b) Unless Congress by law authorizes such action, no amendment of the agreement, and no exchange of notes under article I, section 4, thereof, shall impose additional financial or other obligations on the United States.

"SEC. 605. Any arrangement for the disposition of power from the project works to be constructed on the United States side of the International Rapids section shall be effective only after approval by the Congress of the United States."

The VICE PRESIDENT. The Senator from Vermont is recognized. The Chair understands that the amendment he has submitted is the so-called St. Lawrence amendment.

Mr. AIKEN. That is correct, Mr. President.

I now yield 8 minutes to myself.

The VICE PRESIDENT. The Senator from Vermont is recognized for 8 minutes. He has 1 hour under his control in connection with this amendment.

Mr. AIKEN. As I have said, this amendment is the so-called St. Lawrence amendment.

Mr. President, of all the foreign nations, Canada is our nearest and best neighbor. In the event of war, the outcome would ultimately depend upon the productive capacity of the United States and Canada.

The St. Lawrence River and the Great Lakes comprise one of the world's greatest natural resources. If fully developed so as to add billions of kilowatts of power to the energy supply of the two nations and an inland waterway from the Atlantic Ocean to the heart of the continent, the tremendous contribution to the economy and military strength of the two nations can hardly be overestimated.

Already, the great industrial centers of Ontario and northeastern United States are desperate for want of power.

Soon the great steel centers and arsenals of Cleveland, Detroit, Chicago, and other cities on the Great Lakes will be short of high-grade iron ore unless the St. Lawrence River is made navigable for ore carriers and other ships.

The outcome of world war III, if it comes, could well depend upon how rapidly we develop the Great Lakes-St. Lawrence waterway and the electric energy therein.

According to the Defense Power Administration, a power crisis is already upon us. It is as acute as the shortage of our Air Force.

In fact, the development of the St. Lawrence power is essential to expanding our Air Force, for the aluminum plant at Massena, N. Y., is dependent upon electricity generated hundreds of miles away, electricity which in the event of war would inevitably be needed elsewhere, and would not be available for the production of aluminum at any price, just as occurred during World War II.

Mr. President, it is astounding to hear men decry the weakness of our Air Force and at the same time bitterly denounce the proposed development of the St. Lawrence River, which would provide the means for strengthening the Air Force.

In the northern New England and New

York area, today there is no power for the increased production of copper, iron, sulfur, asbestos, titanium, and non-ferrous metals.

According to the local press, the city of Burlington, Vt., is seriously considering the construction of a power plant to generate electricity, which probably will cost 1½ cents per kilowatt-hour at the plant. They are driven to this by the desperate need of the community. Yet Burlington, Vt., a key defense area in the event of war, lies only a stone's throw from the great unharnessed facilities of the St. Lawrence River, from which power could be laid down in Burlington, Vt., for less than 4 mills per kilowatt-hour.

On July 26 and 27 of this year, five New England governors and a representative of Governor Lodge, of Connecticut, who at that time was out of the country, held a conference at Osterville, Mass. This conference was devoted largely to devising means of solving the problem of the acute power shortage. This governors' conference unanimously approved the development of the St. Lawrence power project.

Mr. President, the governors of the New England States are not radical in any sense of the word. They are not spendthrifts, they are not easily panicked, but they do recognize an extreme emergency when they see one.

In their resolution they made no reference to navigation, because the power shortage is the first concern of New England and New York today. However, the power generation possibilities of the St. Lawrence are as important to the Midwest as they are to the Northeast.

It will be noticed that the amendment proposed by the Senator from Michigan [Mr. MOODY] and myself does not undertake to direct the manner by which the power generated at the works on the American side of the St. Lawrence shall be distributed. The New England governors took no position on this matter, either.

Some would turn the power over to private utility companies exclusively, some would let the State of New York distribute it, for it to handle as it might see fit to do, and some would have Federal transmission lines deliver it to specified local centers for resale.

Time may be running out for America.

Russia is going ahead full speed with the development of shipping facilities and power on her internal waterways. By 1956 she will have completed well over 20,000 miles of waterways which cannot be destroyed by atomic bombs, as can railroads and other forms of transportation.

Russia will also have in production on her rivers generators which will produce electricity equal in amount to that of the St. Lawrence development.

Whether we have war or peace may well depend upon America's maintaining superiority in the field of transportation and power.

It will take from 2 to 4 years to get St. Lawrence generators into production; and during that time Congress can determine detailed matters, including the method of distribution of power.

The main thing now is to get construction under way without delay. There is no time to lose unless we are to conclude that the threat of war is just a silly joke and not to be taken seriously.

How does Canada feel about this Great Lakes-St. Lawrence seaway?

This is perhaps best expressed by excerpting a speech of the Canadian Ambassador, the Honorable Hume Wrong, given at Detroit on July 24, 1951.

In speaking of the difficulty in getting the St. Lawrence development under way, Mr. Wrong said:

When in Detroit I cannot resist from mentioning in passing a third and current difficulty which concerns this area. The failure to cope with it is causing a good many Canadians to feel frustrated. Nineteen years have gone by since the first agreement jointly to construct the St. Lawrence project was signed in Washington, and 10 years since a revised agreement, designed to meet criticisms of the earlier treaty, took its place.

But all this time there has only been snail's progress toward congressional approval; at times, indeed, crab's progress would be a more accurate description, for the motion has sometimes been backward.

We sorely need in Canada both the power and the benefits of deep-water navigation to and from the Great Lakes which the project will bring.

There are parallel needs in the United States.

Must we wait much longer for the start of this development, which would almost certainly have been begun long ago if the St. Lawrence had not been a boundary water?

The VICE PRESIDENT. The time of the Senator from Vermont has expired.

Mr. AIKEN. I yield myself two more minutes.

The VICE PRESIDENT. The Senator from Vermont is recognized for two more minutes.

Mr. AIKEN. Mr. President, are we to go on spending untold billions of dollars in all possibly friendly nations in every part of the globe, and yet refuse to cooperate with Canada in the best investment in the world in terms of economic progress and military security?

Are we going to turn Canada down again and tell her to go ahead alone and develop the waterway herself, for our protection?

Are we going to forbid the development of 2,200,000 horsepower of electricity in a region starved for power, while we squabble and fuss for more years to come over the details of who shall get it and how, while our potential enemies grow stronger by the hour?

This is the time when we should put behind us all personal preference and prejudices born of regional, economic, political, or occupational considerations. There should be only one consideration now—the need of our country.

Mr. President, I do not know whether the opposition desires to use some of their time now.

Mr. BUTLER of Maryland. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BUTLER of Maryland. Who is in charge of the time for the opposition?

Mr. AIKEN. The Senator from Texas is in charge of it, according to the agreement.

The VICE PRESIDENT. The Senator from Texas is in charge of the time for the opposition.

Mr. BUTLER of Maryland. Mr. President, I should like to ask the Senator to yield me 10 minutes.

Mr. McMAHON. Mr. President, in the absence of the Senator from Texas, and acting on his behalf, I yield 10 minutes to the Senator from Maryland.

The VICE PRESIDENT. The Senator from Maryland is recognized for 10 minutes.

Mr. BUTLER of Maryland. I thank the Senator from Connecticut.

Mr. President, the pending amendment is subject to many serious objections, any one of which, in the opinion of the junior Senator from Maryland, is sufficient to defeat it. The first and principal objection is that what the proponents of the amendment are trying to do, in the opinion of many thoughtful men, is contrary to the constitutional process. They contend that there cannot be done by executive agreement that which the Constitution demands be done by treaty. Much time has been spent in the past on the floor of this great body by men possessing mental powers far beyond those of the junior Senator from Maryland, debating this question. I have read those debates with care and am much persuaded by the reason and logic of the view that those things which are permanent and which embrace continuous executory obligations running into the distant future, and which in addition affect not only large segments of our population but also whole political subdivisions as well, are properly the subject of a treaty and should not be brought here other than in the form of a treaty.

This brings me to my second objection which is that, even though the minds of Senators may be in a state of equal balance on the constitutional question we, here in the Senate, should not, as a matter of practical policy, be so willing to surrender to the executive branch, which I may say has been no shrinking violet when it comes to grabbing constitutional powers of the legislative branch. Let me recall the statement made by former Senator White, of Maine, an able and distinguished man and former majority leader of this body. He said:

The growing resort in late years of the State Department to agreements, so-called, in the stead of treaties to be ratified by the Senate, in itself demands the consideration of this committee, for it marks a bold assertion of Executive authority and of waning Senate importance in the foreign field. From 1940 to 1944, inclusive, there have been but 38 treaties submitted to the Senate as against 256 agreements, of which we have knowledge, not submitted to the Senate. This tendency warns that we of the Senate must assert our rights in this field, or we shall be guilty of acquiescence in their loss.

Mr. President, the practical objections to the seaway project are too numerous to relate in the limited time available to me, but all of them will undoubtedly be referred to on the floor today. I cannot close these brief remarks, however, without pointing out a few:

First, at a time when we are not only scraping the bottom of the barrel for taxes but going into the wood, I feel we would be most derelict in our duty to the people to expend the huge sum necessary to complete this project. I may add that there is no reliable estimate of exactly what this project will cost. It may run into a billion dollars. Second, I do not believe the project is even necessary to our defense, much less vital. As I read the debate of 2 years ago, the military did not then think the project could be defended. Indeed, General Bradley at that time said:

The real question is: Can the project with its 50 locks, more or less, and its proposed dams and powerhouses, be defended against enemy air attack? I answer categorically, "No."

Third, no one can deny that there are many practical difficulties to be considered. No one denies that the seaway, if completed, will be frozen over on the average of 4½ months each year. What, may I ask, is to become of the people who man the wharfage and dockage facilities, much less the ships, during this period of idleness? There is also the difficulty of water depths, harbors, and so forth, which, as I have said, time will not permit of discussion.

I therefore, Mr. President, most vigorously oppose this proposed amendment, and I hope that the Senate will defeat it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. Aiken] for himself and the Senator from Michigan [Mr. Moody].

Mr. AIKEN. Mr. President, I yield 5 minutes to the senior Senator from Illinois.

The VICE PRESIDENT. The Senator from Illinois is recognized for 5 minutes.

Mr. DOUGLAS. Mr. President, it seems to me that this is the best public-works project which has been submitted to the Congress. The total cost for the United States over a period of years, would be approximately \$600,000,000. In return for that investment we shall get not only a waterway, but a big power development. So far as northern New England and northern New York are concerned, it will mean an abundant supply of cheap power in a region which, so far as northern New England is concerned, has the highest electrical rates in the country. It will also revive and stimulate northern New York.

So far as the Great Lakes area, stretching from Buffalo up to Duluth, is concerned, the project will be absolutely necessary, in all probability, if we are to maintain the iron and steel industry. The iron ore reserves in the Mesabi Range are being exhausted at a very rapid rate. It is possible that we may be able to develop the taconite process, but if there is an exhaustion of the Mesabi Range, as now seems probable, and there is no St. Lawrence waterway, we shall have billions of dollars of investment in steel mills for which there will be no iron ore.

In order to maintain the steel industry in the Cleveland, Loraine, and Gary-Chicago region, it will be necessary to

have access to Labrador ore. With the St. Lawrence waterway it will be possible for Labrador ore to move into the interior of the United States, protected against both submarine and air attack.

Two steel mills are being developed at this time, one in Baltimore and the other above Philadelphia, both of which will depend upon South American iron ore. In the event of war with Russia, the ore boats can be torpedoed and the supply cut off, so that the dependence upon South American ore will be an extremely dubious one, particularly in time of war. But the St. Lawrence waterway will permit us to get a steady, continuous, and mobile supply of iron ore from the rich reserves of Labrador which are now being developed. It will be safe from submarine attack.

The project is necessary for the industrial development of the Middle West, for the States of Ohio, Indiana, Illinois, Wisconsin, and Michigan, which are on the Lakes, and also, so far as power is concerned, of northern New England.

Mr. President, I now want to take the gloves off. Those are States which pay a very large proportion of the taxes of the United States, but they are States which tend to be politically impotent in the United States Senate. When appropriations are made, they go to the Mississippi River and its tributaries, to the Mountain States, and to the Pacific Northwest. The committees of this body are run by those States.

So far as the power developments of the Pacific Northwest are concerned, I voted for them and expect to continue to do so, because I think they are a natural in the field of power development. But the States which I have just mentioned are also part of the United States of America. We also are members of the United States; we also have a right to live and not to have our industries and raw materials shut off.

So I hope, Mr. President, that we shall not be treated as conquered provinces in this great political sectional battle which goes on here, but that we shall be treated as full-fledged citizens and allowed legitimately to protect our industries and to receive the benefits of our work.

This project will be self-liquidating. It will be paid for out of receipts from power and from toll charges on shipping and will pay interest upon the investment. That is very different from irrigation projects, where no interest is paid, and it is also different from rivers and harbors appropriations, where neither principal nor interest is paid.

I therefore beseech the Senators to recognize that we also should have a right to live—

The VICE PRESIDENT. The time of the Senator from Illinois has expired.

Mr. GILLETTE. Mr. President, on behalf of the chairman of the Foreign Relations Committee [Mr. CONNALLY], I yield 3 minutes to the Senator from New York [Mr. Ives].

The VICE PRESIDENT. The Senator from New York is recognized for 3 minutes.

Mr. IVES. Mr. President, the pending amendment, which would authorize the development of the St. Lawrence River seaway and power project, to say the least, is startling in purport. Without Senate hearings on this question, without opportunity for proper debate on the amendment, with a full knowledge that a similar proposal has been turned down by a House committee during the present session of the Congress, with the definite implication that this proposed project is strictly a defense measure, we are asked by its supporters to decide immediately and perfunctorily upon it.

If I had always favored this proposal, I should not favor the present haphazard manner of dealing with it. In the first place, it has almost nothing whatever to do with the bill before us, either in purpose or in probable effect. In the second place, even if agreed to, it would almost surely be rejected by the House. In the third place, the inclusion of this amendment in this bill might seriously jeopardize the whole foreign-aid program. I repeat: Even if I had always favored the St. Lawrence seaway and power project, I should nevertheless oppose this amendment.

As the RECORD will show, thus far I have never favored the seaway part of this proposal. I have never been convinced that it would accomplish that which its supporters claim for it. On the contrary, I still believe that, as a measure of defense, it would prove to be at least a "white elephant." I have never been convinced that the tremendous cost entailed in its construction could be justified, even in time of peace. I am still of the belief that this proposal is impractical, and that, in spite of—indeed, because of—the provisions in section 603 of the amendment, it would not be self-liquidating. I feel sure that all of the arguments which have been advanced against it in the past still hold, and that new ones can be added to them.

As for the power project contained in this proposal, I have consistently maintained that the construction of the seaway is not essential for this purpose. In fact, New York State has been seeking authorization of the Federal Power Commission to permit the power development project through joint action with the Province of Ontario.

Right here I want to point out that New York State is insisting that we shall be only too glad to share this power with our neighboring States, including all the States in New England, and Pennsylvania, Ohio, and other States, if there be sufficient power for that purpose.

As all know, who are acquainted with the situation, the Federal Power Commission has refused to consent to this power undertaking. I would point out to those who may support this amendment because of its power development feature that neither the amendment nor the seaway is essential to this end.

Appropos of this brief statement and at this point in my remarks, I ask to have inserted in the RECORD the text of my statement before the Senate on the subject now under discussion, which was delivered on February 4, 1948, during the course of the Senate debate on the question at that time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR IVES ON THE ST. LAWRENCE SEAWAY AND POWER PROJECT MADE DURING THE UNITED STATES SENATE DEBATE ON THIS SUBJECT FEBRUARY 4, 1948

My remarks on this question of the St. Lawrence seaway and power project will be as brief as I can make them. Both proponents and opponents in this debate have covered the subject matter so thoroughly that there is little that I may say which can contribute to this discussion.

There are, however, a number of phases of this question which I should like to bring to the attention of the Senate. It is to these matters that I shall largely confine my remarks.

As is generally known, I am opposed to this seaway proposal. I have always been opposed to it. As is also generally known, my warm personal friend and close associate in government over the years, the distinguished Governor of the State of New York, Thomas E. Dewey, strongly favors it. He has always favored it.

This is one of the very few matters on which Governor Dewey and I are not in agreement. From time to time in past years he and I have discussed and debated this question. Neither of us has changed his attitude or position.

Naturally, I regret extremely that this difference of opinion exists between us. I have tried my utmost to persuade myself that this proposal for a so-called seaway is sound and that it would prove beneficial to the country as a whole. But the more I have looked into this matter and the more I have studied it, the more I have become convinced that I should continue to oppose it. Were I to follow any other course, I should not be honest with myself.

The proponents of this scheme have been most ingenious in the presentation of their case. To most of the objections raised against it they have offered some kind of seemingly plausible answer.

When the weaknesses in these answers are pointed out, other answers are forthcoming and these other answers oftentimes are taken from the realm of utter speculation and imagination.

For example, when it is pointed out that, because of the necessarily low tolls to be charged and the limited amount of additional tonnage—based on previous estimates—which is likely to use this so-called seaway, it can never be anywhere nearly self-supporting, we are told that the earlier estimates of 25,000,000 tons were wrong and that new estimates of 52,000,000 tons or more are the ones we should now consider. Never mind that this additional 27,000,000 tons are pulled like rabbits out of a hat.

When it is pointed out that anywhere from 10,000,000 tons to 36,000,000 tons of this traffic, depending upon which estimate one uses, would result largely from the diversion of tonnage now being carried by other means of transportation, we are told that this would not be the case at all because most of the tonnage to be carried on the so-called seaway would be entirely new tonnage.

When we inquire as to the nature of this new tonnage, we are informed that it would consist in large part of iron ore from the now undeveloped sources in Labrador and that this new ore will be required as a substitute for that now being taken from the Mesabi Range which is alleged to be near the point of exhaustion.

When it is pointed out that the Mesabi Range may not be anywhere nearly so near the point of exhaustion as some would have us believe, that there is also an abundance of taconite in the Great Lakes region, that most of the major steel companies do not favor the use of the Labrador ore, prefer-

ring—if need should ever arise—to use taconite instead, and that—from a defense standpoint—for the steel industry in the United States to become dependent upon foreign sources for ore would be highly imprudent, we are nevertheless told that—regardless of these circumstances—Labrador ore is the ore which must be used. Right here, in passing, I would note that this is a typical instance of where the proponents of the so-called seaway appear to claim to know more about what is good for the steel industry and for other groups in this country than do these groups know themselves.

When it is pointed out that most of the tonnage to pass over the so-called seaway, on which tolls would be paid, would actually constitute a diversion of tonnage from our great seaports on the Atlantic and Gulf coasts, we are accused of sectionalism in our attitude.

When it is pointed out that the greater portion of this additional tonnage on the so-called seaway would be diverted from some of the great railroad systems of this country and that the closing of this so-called seaway during 4 or 5 months of the year because of its icebound condition would place an impossible burden upon these railroad systems at a time of year when they would be least able to carry it, we are informed that the railroad systems in the United States are antiquated and that in any case the so-called seaway would help the railroads rather than injure them. Right here I am constrained to remark upon the extravagant position thus taken by the proponents of the so-called seaway, for if proof were needed to show that the railroads are still the chief and, by all means, the most dependable medium of transportation in the United States, the record of our American railroads during the war and their great contribution to the war effort offer irrefutable testimony. Surely our American railroads have demonstrated beyond question that they possess a value to our American economy incomparably greater than that which can ever be attached to any icebound seaway or any combination of icebound seaways.

When it is pointed out that this proposed so-called seaway would be too shallow to accommodate more than a very small fraction of present-day oceangoing vessels, we are told that oceangoing vessels with a shallower draft are now in the process of construction and that these would be able to navigate the so-called seaway and that, in any event, present oceangoing vessels could easily transship at Montreal.

When it is pointed out that, upon being questioned with respect to the value to themselves of this so-called seaway, 30 out of 32 leading steamship lines indicated they would not use it if it were available, we are told that ships of other shipping interests might find it advantageous. It would appear, therefore, that the chief shipping beneficiaries of this project would be the small tramp ships of foreign nations manned by foreign crews.

When it is pointed out that this so-called agreement is, in effect, a treaty and that its terms and purpose and the conditions surrounding it are those traditionally peculiar to treaties and that by construing it to be an agreement the Senate is abdicating from the performance of one of its chief constitutional obligations and responsibilities, we are informed that the resolution before us has been so drafted as to remove this question of dubious constitutionality and that, in any case, the need for the so-called seaway project is sufficiently great to justify the Senate in bypassing one of its basic constitutional functions.

When it is pointed out that a period of high costs and shortages in materials and labor is no time for undertaking a project of so vast a nature, it is suggested to us that there is apt to be some delay before the

project can be gotten under way, and that by that time conditions may be decidedly changed. In the next breath we are informed that "speed is of the essence" in getting this project under way and that delay is unpardonable.

When it is pointed out that from the standpoint of national defense this proposed so-called seaway cannot be defended and offers more in the way of a liability than can ever be realized from any asset value it may contain, then we are told that the Secretary of War has stated that while it might be helpful it is not vital to national defense.

When these and other objections to this proposal have been raised, always we are told that our facts are wrong or our figures are wrong or our reasoning is wrong, and always we receive some kind of seemingly plausible explanation aimed to offset the objections. I have to admit that it's a bit difficult to keep up with the proponents of this proposition in the matter of figures, for with each new obstacle confronting them there seems to be at hand a new set of figures or estimate calculated to meet and overcome it.

Finally, however, we are given to understand that one of the most valuable features of this proposed undertaking would be the development of hydroelectric power which its construction would entail. On this point I cannot disagree with the proponents. I feel strongly, in fact, that development of the power resources of the St. Lawrence River would be a most worth-while undertaking.

I feel equally strongly, however, that construction of this St. Lawrence, so-called, seaway project for the sole purpose of the development of the St. Lawrence power resources would be an inexcusable waste of money. I see no point whatever in spending a billion dollars or more on a very questionable waterway project when all that we would be sure of getting out of it would be a half-billion-dollar power development—especially when it is possible to develop the power separately.

For years I have been led to believe that, without the so-called seaway itself no power project can be undertaken. I am convinced now that it is not only possible to undertake the hydro-electric development separately, but that such a course is the only one practicable insofar as the St. Lawrence River is concerned. In fact, it would seem to me that a treaty between the United States of America and the Dominion of Canada, which would authorize the State of New York and the Province of Ontario to develop the St. Lawrence power by joint agreement and as a joint project, should be wholly feasible. I understand that the Province of Ontario has just about reached the end of possible power development within its own borders. Surely New York State can use all the power which it could obtain as its share from such a project.

In this connection it is worthy of note that New York's half of the "primary" power which would be developed by the project, which the pending resolution would authorize, would constitute approximately 10 percent of present power requirements in that State alone. Furthermore, this power would be just about enough to supply the additional load which will develop in New York State in the next 2 years if the present rate of load growth is continued.

Some may doubt the willingness or capacity of New York State alone to engage in so large an undertaking. An analysis of the proposal contained in the resolution which is now before us, however, will show that insofar as New York State's taxpayers are concerned, the burden on them is likely to be as heavy one as the other. It should be remembered that New York's share of the cost of the project now before us is \$161,000,000. Increased costs since the \$161,000,000 estimate was made, moreover, would very likely

bring New York's cost to well over \$175,000,000. Add to this item the approximate 22 percent of the Federal tax load which New York State taxpayers carry and one can easily perceive the very large proportion of the cost of this St. Lawrence so-called seaway project, which would be borne by New York State taxpayers under the terms of the pending resolution. I doubt very much that the cost to New York's taxpayers would be much more—indeed it might be less—if the power development were undertaken jointly by the Province of Ontario and that State.

And while I am on this subject of power development, I would bring to the attention of the Senate that, with an expenditure of about \$55,000,000 for plant and only slight additions to existing transmission and distribution systems, there can now be made available on the American side at Niagara Falls 450,000 horsepower which can be produced even more cheaply than can the power which would be obtained through the development on the St. Lawrence River. By like process, about the same amount of power can be developed on the Canadian side of the Falls. This possibility can be realized by making permanent through treaty amendment a temporary wartime agreement for the diversion of water on each side of the international boundary at Niagara Falls.

Some Senators may remember that a number of years ago the Senate agreed to this arrangement, effected by an exchange of notes permitting this diversion for the duration of the emergency which still continues officially. It occurs to me that this treaty amendment should be made and ratified as soon as possible, in order that this extremely cheap power, right at our back door, can be used and made permanently available.

As to the St. Lawrence so-called seaway project itself, however, it seems to me that any promise of good or of benefit which it may hold is far more than offset by the equally implied promise of loss and damage which its establishment would bring to our American economy as a whole. In condemning this project, I have tried to take from the proposal before us the one desirable feature which it contains, and I have endeavored to show how that feature can be utilized to greatest advantage.

Mr. IVES. Mr. President, in this connection I would observe that although some portions of the statement which I just submitted for the Record are today obsolete, the greater part of it is as pertinent and as applicable now as at the time of its delivery on February 4, 1948.

Mr. AIKEN. Mr. President, I yield 8 minutes to the junior Senator from New York.

Mr. LEHMAN. Mr. President, I am very glad to have the opportunity of speaking following my distinguished colleague from New York. I know with what sincerity and good faith he speaks. But I point out that he is only one-half of the Senate representation from the State of New York. When he speaks for the State of New York in connection with the seaway I want it clearly understood that I take completely the opposite point of view.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. No; I do not have time now to yield, but if I have time remaining at the end of my remarks I shall be glad to yield.

Mr. IVES. I am sure the Senator from Texas [Mr. CONNALLY] will be perfectly willing to grant time to me from the time under his control.

Mr. LEHMAN. I shall be glad to yield if I have time left after the conclusion of my remarks. I have but a limited amount of time to speak—only 8 minutes.

Of course, it should be clearly understood that the Legislature of the State of New York—I think at the time my distinguished colleague was a member of the legislature—did set up the power authority with the idea at least of developing the power resources. Of course, it was understood at that time that they were inseparable from the development of the seaway.

Mr. President, I think the St. Lawrence River project is one of the greatest hydraulic power developments or seaway developments with which any of us are familiar. I have favored it for more than 30 years. I desire to remind the Senate that every President of the United States from the time of Woodrow Wilson, Republican as well as Democrat, has favored the development of the seaway project and the power project on the St. Lawrence.

The seaway project has two phases, first, economic, and, second, as a part of our defense structure. There is no doubt whatsoever that an inland channel from Labrador down to and through the Great Lakes, bringing ore safely to the various ports on the Great Lakes, Chicago, Cleveland, Toledo, to Wisconsin and to Minnesota and to the entire Middle West, will be a great element of safety. Aside from that, however, it will certainly encourage the passage and the profitable exchange of goods between this country and our foreign friends. It will certainly make the exports of wheat and other foodstuffs from the Middle West to Europe and to the other areas of the world much more practicable. So I think it has a tremendous element of value, both from the standpoint of our economy and our defense.

The power project would develop 2,200,000 horsepower of hydraulic power. It would provide for a large section of the country, not only New York but New England and some of the other contiguous States, 13,000,000,000 kilowatt-hours of energy at a cost that would undoubtedly encourage the development of industry in the entire area. The cost of generating this power at the bus bar would be less than 2 mills. It could actually be brought down to New York City at less than 3½ mills, and to cities like Rochester, Syracuse, Albany, and some of the cities of New England the cost would be little, if any, over 3 mills a kilowatt-hour.

We need that power. We need it in New York. We need it in the entire Northeastern section of the country. We are tremendously short of power. Canada is taking advantage of every possibility of developing its power resources. On the Niagara, where we are equal partners with Canada, but where authority has not yet been given to develop water-power resources on the American side, Canada is developing, is building, is constructing facilities for the utilization of the great flow of water in the Niagara River. Canada has the right to do that under the treaty, because until New York avails itself of that power, Canada is

free to avail itself of not only its share but also the entire share that goes to this country.

The cost of the dual St. Lawrence project will not be a very heavy one, and the project will be self-liquidating. It is estimated that total cost of developing both the seaway and the water-power project will be \$818,000,000, of which the United States share would be \$566,000,000. From that has to be deducted the cost of the power development which will be borne by New York State if Congress gives the authority, amounting to about \$192,000,000, leaving a net cost to the United States of about \$374,000,000 for the seaway. I should say, however, that the estimates were made sometime ago and the present cost would undoubtedly be considerably higher today.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. AIKEN. The cost of the seaway is to be divided and shared by Canada.

Mr. LEHMAN. Yes, but the share of Canada is considerably less than ours.

Mr. AIKEN. Yes.

Mr. LEHMAN. Of course, Canada has already made great investment in the canals in Canada.

Mr. AIKEN. The Senator is correct about that.

Mr. LEHMAN. The St. Lawrence seaway would be self-liquidating through the charging of tolls, and it is provided that the tolls must be agreed upon before the agreement becomes effective.

There is no doubt that the seaway can be made self-liquidating within a period of from 40 to 50 years, which is a shorter period than in the case of some of the public works developments we have undertaken within this country.

The power development, moreover, could be self-liquidating in a much shorter time. If all the earnings from the power were applied against the cost of construction, I have no doubt whatsoever that that project could be paid for within a period of from 10 or 15 years, or less.

I do not want to give the impression that the earnings from the power would be applied to the full extent against the cost of construction, because in that case we could not make available power at as low a rate as that at which we desire to make it available for New England, New York, and contiguous States. But that it could be made self-liquidating there is no doubt.

While I cannot speak for the government of the State of New York, I feel very safe in saying, and I believe my distinguished colleague from New York will bear me out, that New York State will be happy to take over the construction and financing of the power project if the authority to do so is given by the Congress of the United States. I do not think there is a slightest doubt about that. I believe it can be made self-liquidating in as short a period of time as almost any other Federal project.

Mr. IVES. Mr. President, will my colleague yield to me?

Mr. LEHMAN. I yield.

Mr. IVES. I think my colleague heard the statement I made as to the power project contemplated by this proposal. I said that New York State has been requesting the Federal Power Commission to permit the power development project through joint action with the Province of Ontario.

Mr. President, I ask the chairman of the Foreign Relations Committee [Mr. CONNALLY] if he will yield me some time, so that the remarks I wish to make will be taken out of time at the disposal of our side.

Mr. CONNALLY. How much time does the senior Senator from New York want?

Mr. AIKEN. Mr. President, I suggest that the junior Senator from New York conclude his remarks, and that then the senior Senator from New York secure whatever additional time he may need.

Mr. IVES. That is all right with me.

Mr. CONNALLY. I will grant whatever time the Senator wishes.

Mr. AIKEN. I have no objection.

Mr. LEHMAN. I simply wish to say in conclusion that in my opinion this is one of the most important and practicable projects of its kind I have ever heard of. I think it has tremendous economic and defense value.

The VICE PRESIDENT. The time of the junior Senator from New York has expired.

Mr. AIKEN. Mr. President, I yield an additional minute to the junior Senator from New York.

Mr. LEHMAN. I say the project has both tremendous economic and defense value to the entire Nation. As the senior Senator from Illinois has pointed out, we of the East have gone along with representatives from the Western and Southern States in many power and other projects, such as reclamation and irrigation. We voted for them because we believe that each State in the Union benefits as the country benefits from any sound public project. The St. Lawrence development would benefit the entire country, and would directly benefit New York, New England, and the Middle West.

I very much hope that the Senate will agree to the amendment and make it possible for this work to be undertaken, at least in its initial stages.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as part of my remarks the testimony which I gave before the House Public Works Committee on the St. Lawrence seaway and power project on Wednesday, March 7, 1951.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR LEHMAN BEFORE HOUSE PUBLIC WORKS COMMITTEE ON ST. LAWRENCE PROPOSAL, WEDNESDAY, MARCH 7, 1951

Mr. Chairman, this is my third appearance before this distinguished committee of the House over the course of 10 years in support of the St. Lawrence seaway and power project resolution. My first appearance was in 1941 while I was Governor of New York. My second appearance was last year as a Member of the Senate. I am happy and pleased at the privilege of again appearing before this committee, whose new chairman

is a Representative from a district in my own State and an old and valued friend.

In my testimony today I will try to repeat as little as possible of the testimony I gave before this committee less than a year ago. The majority of the members of this committee were members of this committee on that occasion, too. There is so much that is new in the situation now confronting us and in the increased urgency for the approval of the pending resolution that there is little need for me to repeat what I said on that occasion. Yet some of the facts and circumstances are unchanged and I shall refer to some of them.

Certainly the reasons which impelled me and others to support this great project a year ago and 10 years ago have been intensified and dramatized in great measure by recent events. What was a good project in the past is a vital project today. It is a project essential to our national security in a day and an hour when our national security is being challenged, and with it the security of all the free world.

I need not burden you, Mr. Chairman, and members of this distinguished committee, with my own views on the necessity for this project from a national defense viewpoint. You have heard the views of the Secretary of State, of the Secretary of National Defense, and of the Director of Defense Mobilization, all of whom have attested to the vital importance of this undertaking. The Secretary of State, I believe, inserted into the record of these hearings the views of the permanent Canadian-United States Joint Board on Defense, which recommended and I quote "that the two Governments take immediate action to implement the 1941 St. Lawrence agreement as a vital measure for their common defense."

General Marshall, if the committee will recall, reached equally positive conclusions in the statement submitted to this committee in his behalf. The committee is likewise aware of the views of the United States Joint Chiefs of Staff, of General Eisenhower, and of many other qualified military experts as to the military and strategic importance of the St. Lawrence project.

These are the men upon whom we must depend for advice and guidance in military and strategic matters. Upon their judgment rests, in a major sense, the safety and security of our country. Upon our willingness as Members of Congress to support and implement their judgment rests the fate of this Nation. I believe that to be as true of their judgment on the St. Lawrence project as of their judgment on the size of the armed forces, on the location of military bases, and upon the equipment of our fighting troops abroad.

Even if I were not committed to the support of this project through years of advocacy of it and through a profound belief in its desirability for the welfare of this Nation. I would, myself, feel compelled to set every other criterion aside and to support this project—this undertaking—on the basis of its importance to the defenses of the United States and of Canada.

You will note that I have included, as did the Secretary of State, the defense interests of Canada as being of paramount importance in determining my judgment on this matter. Certainly we must keep in mind the intimate and inextricable connection between the security and welfare of the United States and the security and welfare of Canada. Although Canada and the United States are two separate and sovereign nations, there is a close community of interests between us such as does not exist and has never existed between any other two nations in history. What is necessary for the welfare of Canada contributes also to the welfare of the United States. What is desirable for the security and defense of Canada is important to the security and the defense of the United States.

The time is long past when we in this country or in this Congress can say of a project or undertaking "if Canada wants it, let Canada do it. It is her business." Defense, security and welfare are everybody's business. Never was this more true than in the case of the United States and Canada. The fact that Canada is anxious about the St. Lawrence project is and should be, in itself, a strong and compelling reason for its approval. I need not belabor this point, for the St. Lawrence project is as vital to the interest of the United States as to that of Canada.

As members of this Committee may know, analogous legislation has been introduced in the Senate. Twenty-six Members of the Senate, of whom I am proud to be one, have joined in sponsoring a bill identical with some of those now pending before this Committee. We have every hope of getting favorable action in our body. I believe that a majority of the members of the Foreign Relations Committee of the Senate will vote to report S. J. Res. 27 favorably and that it will be approved in the Senate by a considerable margin, I hope some of the Members of the House who support this legislation will repay the visit that I am making today to this side of the Congress.

Mr. Chairman, as I pointed out in my testimony a year ago, the support for this legislation is as bipartisan or nonpartisan as the support for any legislation that has been before the Congress in the last 10 years. As you recall, the original St. Lawrence treaty was negotiated under the direction of President Herbert Hoover. The 1941 agreement was negotiated under the direction of President Franklin D. Roosevelt. The project has, in fact, been consistently recommended by all United States Presidents and by both political parties since World War I. On this committee, two members who remain from the original committee before which I testified in 1941 and who voted then a favorable report on the St. Lawrence project, Representatives DONDERO and ANGELL, are both Republicans. I am sure that they are still of the same mind as they were in 1941.

Mr. Chairman, this is largely a question of works and improvements along 100 miles of waterway—the 46 miles of the International Rapids section and the 68 miles of the Canadian section of the lower St. Lawrence, from St. Regis, N. Y., to Montreal, Canada. There are included in this project, as the committee knows, some improvements in the Great Lakes connecting channels, in the Welland Canal and in the Thousand Island section. But the major work is to be done, as I said, in the International Rapids section and in the Canadian section. Four-fifths of the total cost of this undertaking is in this Rapids section. The major works proposed in this section consist of the digging of a channel, the construction of a control dam, a spillway, a powerhouse, and three locks. The total estimated cost of the whole project, as estimated by the Corps of Engineers, would be \$818,000,000 of which the United States would pay \$566,000,000 and Canada \$251,000,000. Of the \$566,000,000 to be paid by the United States, \$192,000,000 would be allocated for the cost of the power project. Thus, the net United States share of the cost of the seaway would be \$374,000,000. This is not much more than the cost of two aircraft carriers. Yet the long-range benefits of the seaway to the Nation are incalculable. The short-range benefits to the national defense and security are without price.

The Commerce Department estimates that the seaway will carry 80,000,000 tons of freight a year, of which thirty to forty million tons will be iron ore alone. The saving in shipping charges on this potential traffic might well be over \$60,000,000 annually, while the annual cost to the United States, according to General Pick's testimony before

this committee—would be about \$20,000,000, including the cost of financing this project.

Mr. Chairman, I appreciate that one of the major objections to this undertaking is the cost. It will be said that we cannot afford this expense in these times when we are required to make vast expenditures for our national security and when we are trying to save money in every possible field of Government expenditure. I say to this Committee that in my considered judgment we cannot afford to refrain from authorizing this expense—this investment in the security and welfare of our country. Not to approve this project would be such a waste and extravagance as history could not easily forgive.

We have already been wasting, for too long, the precious resources of this 2,300-mile waterway; we have also been extravagantly wasting the tremendous volume of water with its great drop in level and the consequent power potential. This water has been and is rushing unharnessed down to the sea, while our farms, homes, and industries cry for power; this situation constitutes a rebuke to us all for having failed to construct this project long before this.

Here are 1,880,000 kilowatts of power, Mr. Chairman—12,600,000,000 kilowatt hours of energy annually—going to waste down to the sea because we have declined to authorize this project * * * a project which could completely pay for itself in a short space of time, and bring cheap power at a vast saving to the people of both our countries.

Here is a vast waterway * * * 2,300 miles in length from the head of the Great Lakes to the mouth of the St. Lawrence, a direct channel from the great Atlantic into the heart of our two countries, and we have failed to provide the improvements which modern technology makes possible, so that this waterway could be used by both our countries for the benefit of the whole people of this continent and indirectly now for the benefit of all the free world.

Mr. Chairman, as a Senator from New York, I must seek to protect the legitimate interests of the people of my State. I believe I am promoting and advancing those interests when I urge the approval of this resolution. But I also have an obligation, as we all have, to protect and advance the interests of our Nation. I cannot understand how we can weigh the alleged disadvantages to one or more small groups against the unquestioned advantages to the Nation as a whole. If we have learned one thing, we have learned this—that our Nation is so closely knit today that benefit to one section inevitably redounds to the benefit of all.

I would like to recall from the pages of our history the fact that many of the great and epochal developments in our Nation have been consistently but mistakenly opposed by special groups and special interests who later saw their own interests advanced and improved by these developments.

The railroads have on many occasions thus argued against their own long-range interests. Railroads violently opposed the construction of the Panama Canal because they thought it would be harmful to them. Railroad interests opposed the construction of the intercoastal canal in Texas for the same reason, and the development of the upper Mississippi River, and the deep waterway from Baton Rouge to New Orleans. The members of this committee from the South will readily recall the more recent of these instances.

Yet in every case, the construction of these waterways has eventually brought great new benefits to the railroads, developed the access areas, and the approaches to these waterways, and brought a great amount of new business to the railroads, as well as to all other elements of the population and the country. In the case of the Panama Canal, who will say that this great project

has not been of immeasurable benefit to the Nation? Compared to the cost, the dividends in the form of national benefits have been incalculable. Yet men of small vision attempt to block all these developments because they thought these new projects represented a threat to their business when the fact was that these developments were to the benefit of these enterprises as well as to the country as a whole.

All the tradition and history of America to the contrary, some businessmen have always seemed to think, at every point in our history, that our country has grown as large as it is ever going to grow, and that our economy has reached its maximum point. They have felt that our national economy is like a pie, of which they had a slice; any new project or proposal has always seemed to these people to be an attempt to decrease their slice of pie. They have never been able to understand that our economic pie is constantly growing larger, and that this dynamic quality has carried the secret of our national success, our national greatness.

Should our economy ever become static, if we should ever be satisfied with the size of the national pie and resist attempts to increase it, our fate as a nation, as we know it will be sealed, and America will cease to be what it has always been and what I pray God it always will be.

I include the St. Lawrence project high in the category of projects and developments which are needed to increase the size of our national pie, to expand our country, to press beyond our existing national frontiers.

It has always been our national experience that such developments as the St. Lawrence project, while statistically appearing to require some temporary adjustment of some enterprises, result actually in great benefits to such enterprises. I would guess—and it is purely a guess, I admit—that the vast development of the interior of our country through the construction of this seaway would bring new business to the railroads and to our port cities far overbalancing any slight decreases of traffic they might think they are going to suffer.

It has been a common experience also, that public power projects, far from driving private power facilities out of business, have created great new markets for both the public and the private power and have always resulted in increased power demands in those areas through the growth and development of the general economy of the area.

Mr. Chairman, I do not intend to detain this committee much longer. But I do want to address myself to certain specific aspects of this legislation which intimately affect my own State.

Section 5 of this bill concerns itself with the transfer of the power facilities to the State of New York under the terms of an agreement which would include provision for the repayment to the United States Government of the cost of construction. This agreement, under the terms of accords reached between the Federal Government and the State of New York in past years, also would include certain conditions for the disposal of the power to be generated—the priorities to be granted to defense requirements, and to the needs of municipalities and rural cooperatives, and the guarantee of the benefits of the cheap power to the consumers of that power.

Section 5 of the joint resolutions now before you refers to the joint recommendations of the Corps of Engineers, United States Army, and the Power Authority of the State of New York, dated February 7, 1933, presented at public hearings of the Committee on Foreign Relations, February 10, 1933.

This was the origin of the Federal-State accord on the St. Lawrence power project. It was arrived at by Chairman Frank P. Walsh of the power authority in conferences held

with the Corps of Engineers during the early weeks of my administration at Albany and was approved by me as Governor of New York. When the 1932 draft of the St. Lawrence treaty with Canada was rejected in 1934, the accord could not, of course, become legally effective, but its principle was maintained in connection with the new St. Lawrence agreement with Canada, dated March 19, 1941, which the present joint resolutions approve.

That principle has been embodied in all administration bills which have been offered in the last 10 years to approve the 1941 St. Lawrence agreement. Under Chairman James C. Bonbright, of the power authority, who also served under my administration, a section similar to section 5 was carried into the St. Lawrence resolution introduced by Representative Joseph Mansfield, of Texas, in 1941.

Under Gen. Francis B. Wilby, chairman of the New York Power Authority from 1946-50, the original joint recommendations of February 7, 1933, were revised as of February 15, 1946, and were submitted to the Senate Committee on Foreign Relations on March 6, 1946. I ask unanimous consent that this accord be printed in the appendix of this committee's record. It is a vital part of section 5 and should be so read by every member of this committee.

Section 5 has thus become known as the Federal-State accord provision of the St. Lawrence legislation presented at this and previous hearings of congressional committees on the seaway and power project.

During my 10 years as governor, the accord provision in section 5 was frequently discussed, in order to perfect its terms, at conferences held by the power authority not only with the Corps of Engineers but also with other Federal agencies interested directly or indirectly in the St. Lawrence development. These discussions progressed under Chairman Wilby and, I recall, were continuing into 1950 after I entered the Senate.

I believe that these conferences have had most constructive results. I know that the Federal-State cooperation achieved in the accord provisions laid the foundations for the project as it is now presented to us.

It is provided in section 5 that the agreement to be reached should be subject to approval by the Congress of the United States and the Legislature of the State of New York.

It is further provided in section 5 that a fair allocation of the power generated should be made available to New England States within economic transmission distance of the power generating facilities. This is not a new concept. The State of New York has always insisted that it proposes and intends to make a fair share of this power available to neighboring States within economic transmission distance of the St. Lawrence site. The State of New York recognizes, as it must recognize, that although the St. Lawrence power project is to be located within the borders of New York State, this power is generated from water which belongs to all the people of the United States, draining the entire Great Lakes system, extending through many States. Thus there is a logical, as well as a constitutional, Federal interest in the development of power on the Great Lakes-St. Lawrence system.

The New York Power Authority was created by the New York Legislature in 1931 upon the recommendation of Governor Franklin D. Roosevelt, and the sole and stated function of this authority was and is to promote the development of the St. Lawrence seaway and power project, in the public interest.

I was Lieutenant Governor of New York and presided over the New York State Senate when the legislation creating the power authority was enacted. I remember its begin-

nings and I am proud of having supported its functions through all the years I was Governor of New York State. Engineers and other experts of the New York Power Authority did much of the pioneer work in laying out the present St. Lawrence project, certainly in its power aspects.

The mandate of the people of New York has been expressed on this subject repeatedly and consistently—for the development of the St. Lawrence—both the seaway and the power project—in the public interest. That mandate has included the operation of the power project, in the public interest, by the New York Power Authority. In this function, the New York Power Authority would serve, in a sense, and certainly through the action of Congress, as the implement to carry out the national will.

The State of New York has a historical and proprietary interest in this project quite aside from the fact that the International Rapids section borders wholly on New York State. There is every historical as well as legal justification for section 5. This is not a fresh, new matter. It has a history. That history must be taken into account.

I understand that there have been some objections to section 5 because of the precedent it might establish. Mr. Chairman, section 5 was a precedent, and an accepted precedent, for St. Lawrence power development for more than a decade before the present Congress.

Section 5 has developed and has been carefully worked out through years of negotiation and consultation. I think the Congress should, in this case, and without regard for any other case or situation, weigh that section and its supplemental accords in that context. I would not want to see section 5 substantially changed.

For this reason, as well as for many others, I would not support the new section 5 proposed at the hearing February 28 by the New York Power Authority. That proposal would represent, not a forward but a backward step, moving back into uncharted and uncertain waters, whose tides and currents may carry the St. Lawrence power project into directions quite unforeseen when section 5 was originally drafted and approved by congressional committees—directions not at all in accord with the public interest.

The chairman of the New York Power Authority has suggested that the State of New York would be willing to float a bond issue and itself shoulder both the responsibility and the cost of construction of this power project. Of course, the readiness of New York State to shoulder the cost of the project is not new. New York State would, in any event, be required to defray the cost of the project. If New York State can defray this cost, through a bond issue or otherwise, in the immediate future, I would consider that most desirable. That would and should certainly be a powerful bargaining point in New York's favor in negotiating the other terms of the Federal-State agreement.

I do not wholly understand—I have not had time carefully to study and analyze—all the implications of the proposal by the New York Power Authority. As a New Yorker, I certainly would not like to see the omission of the requirement that the New York Legislature, as well as the Congress, approve the Federal-State agreement to be negotiated under the terms of section 5.

Furthermore, I do not approve of the suggestion by the chairman of the New York Power Authority that it did not need or want the authority to build transmission lines to transmit the power from the St. Lawrence project to the load centers. I think that authority is essential to safeguard the public interest, to protect the consumers of New York and neighboring States, and to assure the public that if private transmission lines will not provide ade-

quate facilities at a satisfactory charge, the Government can and will provide those facilities. I would expect, of course, that this authority would be used only when needed.

As for the suggestion, Mr. Chairman, that the New York Power Authority assume the responsibility for building the power project, I would consider that most impractical. The power works and the seaway are inextricably combined. Thus the Long Sault Dam, which serves the power project, also serves to hold up the pool for one of the major locks of the seaway. There are other interconnected features.

For the United States engineers to build the seaway and the New York Power Authority to build the power project would be to invite confusion, delay, and difficulty. The engineers, moreover, will be constructing this entire project with a special eye to its defense qualities. This the power authority is not equipped to do.

Moreover, the Army engineers have the experience. They have prepared the engineering plans for this project. I see no point to approving the project on the condition that somebody else build it. This would be a new role for the power authority. The Army engineers are wholly qualified by experience to build the dual-purpose project. It will not cost the Federal Government anything. It will not cost the people of New York 1 cent more. In fact, it can cost them less.

Nothing I have said should be taken, in any sense, to indicate any feeling that the State of New York should not operate these power facilities. I believe New York State should. I believe section 5, and its supplementary accords, will adequately protect the interests of the people of New York, of the neighboring States, and of the Nation. I believe all those interests must be protected and reconciled. Section 5, in its present form, makes that possible.

The Nation has an immediate and direct interest in the power, as it does in the seaway. It is to the national interest to have the power made available to meet the needs of the essential industries whose products are so vital to the national security and welfare. But that interest is protected in section 5 as it now stands. I hope the committee will approve section 5 in its present form.

Now I have heard that some suggestion has been made in the course of these hearings that this would be a fine project, but that private capital should develop it. I disagree as strongly as I know how with any such concept, a concept long since rejected overwhelmingly by the people of my State.

These resources—the waterway and the power—are the birthright of all the people. They are available for development under international treaty, by virtue of the sovereign power of the United States Government. The benefits of this development must be passed on to the people of the country, and should not be drained off in the form of profit to the holders of private capital. I have no prejudice against private capital, I assure you. But I think this is a great public resource, to be publicly developed, and to be faithfully administered solely in the interest of the people.

Of course, private development of the seaway would be impossible, as well as inconceivable. You might as well consider private development of the highways and public thoroughfares. As for private development of the St. Lawrence power project, that would be in direct conflict with the laws of the State of New York, as well as to all the accepted Federal concepts which have prevailed in this country during the past generation.

Mr. Chairman, the figure has been given by the experts that the cost of the power developed on the St. Lawrence, delivered to load centers in New York and neighboring

States, would be roughly half that of equivalent steam-generated power.

The saving to the people of this country on 6,300,000,000 kilowatt-hours of water power annually is a staggering sum. To this must be added the saving on 6,300,000,000 kilowatt-hours of power annually available to the people of Canada. We must figure both these savings, because the cost of power is going to figure in the bill the American people are going to pay for the defense and mobilization effort. The cost of power figures prominently in that bill.

You have heard testimony that titanium, the new metal which is being produced for defense purposes—stronger than steel, lighter than aluminum—needs six times as much power for production as is needed for the production of aluminum. The cost of titanium is dependent on the cost of power. Cheap power means less taxes. Further neglect of the power potential would be not only costly, but disastrous. This new power is not going to displace a kilowatt of privately generated steam power. All the steam power that can be generated can be used, plus all the hydroelectric power.

As the committee may know, I am the sponsor in the Senate of a proposal to develop power—1,250,000 kilowatts of it—by the redevelopment of the United States share of the waters of Niagara Falls. There is an identical bill before this committee, introduced by Representative FRANKLIN D. ROOSEVELT, Jr., of New York, who also has a St. Lawrence bill now pending before this committee.

There is no inconsistency or overlapping between these two bills. The power from the Niagara is also needed. It would go into a market which could not be reached so economically by the St. Lawrence power. I hope this committee will give favorable consideration, in its turn, to that bill, too. I merely remark upon this in passing, so that members of this committee may know my view that there is neither conflict nor inconsistency between these two measures. Neither one is a replacement or substitute for the other.

Mr. Chairman, I have already presumed too long upon the patience of this committee, which has been holding hearings and listening to the proponents of this measure for many days. There are more hearings still to be held, I understand. I congratulate and thank the committee for its patience and perseverance in this matter. It is a vital matter, and the Nation will have reason to thank this committee for its careful and painstaking consideration of this all-important proposal.

I have covered the field, from the vantage point of whatever competence I have, to indicate the basis for my sponsorship and support of this legislation.

This committee will make its decision on the basis of the merits, as the members see those merits. I, myself, consider this legislation of paramount importance, of national and international importance. I cannot see how you can do other than vote to report this measure favorably. Action has been too long deferred. The time is now.

Mr. Chairman, I invite whatever questions may be asked of me.

Mr. CONNALLY. Mr. President, I yield 3 minutes to the senior Senator from New York.

Mr. IVES. Mr. President, I do not wish to prolong the discussion with my colleague from New York. However, I wish to point out that I was not endeavoring to speak for every one in the State of New York in my preliminary remarks. I recognize that there is a difference of opinion on this subject in the State of New York. I recognize that my colleague, when Governor, as was the

case with his predecessor, and as is the case with the present Governor of New York, favored the seaway proposal. I do not favor it. Thus far I have never favored it. I am not satisfied yet that it would do what is proponents claim it would do.

I am, however, strongly in favor of the power development part of the project. I have shown in my brief prepared statement, and particularly in the statement which I inserted in the Record, that this amendment is not at all essential to the power development. That project can be undertaken without any legislation whatever if the consent of the Federal Power Commission can be obtained.

I point out that, while I do not speak for any Governor of the State, present or past, on this question, I believe I do speak for the legislature of the State. I point out that time and again by resolution the legislature has memorialized the Congress or taken other affirmative action—all against the seaway proposal. Furthermore, I would emphasize that, to the best of my knowledge, the legislature has not changed its position on this question at any time.

Mr. AIKEN. Mr. President, I yield 5 minutes to the senior Senator from Minnesota [Mr. THYE].

Mr. THYE. Mr. President, the St. Lawrence River project means a great deal not only to the States on the chain of the Great Lakes and the States adjacent to the St. Lawrence River but it also means much to the entire United States, and to Canada.

Every President of the United States from Woodrow Wilson up to the present time has been in favor of this project. In the light of that fact, it seems strange to me that it is still a pending question, when only \$600,000,000 is involved, and we are talking in terms of \$7,500,000,000 to aid foreign countries to recover from the war devastation and rebuild their economies.

We had a greater loss of material, money, and men in the last war than did the allied countries which we are now aiding. In fact, we are even aiding countries which were our enemies during the war. We are talking in terms of \$7,500,000,000 for foreign aid, and we are denying ourselves \$600,000,000 to construct the St. Lawrence seaway.

What stands in the way of the development of this project, upon which we shall be dependent in the future to supply our steel mills with the necessary iron ore, not only from Minnesota, but from Labrador? I believe I know what stands in the way. States which have great shipping facilities and harbors are fearful that the St. Lawrence seaway might in some manner affect them. Railroads whose rails extend across the continent from east to west and from north to south object to it.

When we examine the record we find that we are planning to increase our steel production in the United States by 30,000,000 tons, over and above the 100,000,000 we are now producing. Knowing that we are dependent upon the Great Lakes to support the steel mills, as a channel of transportation for most of the raw materials, including the iron ore which is necessary, and knowing that

the iron ore deposits in the great Mesabi Range are limited, why do we not make this investment now to secure for ourselves an adequate supply of iron ore in the future to perpetuate for generations to come the great steel age in which we are now living?

Mr. President, there has not been a day that those of us representing the midwestern States have not received calls, telegrams, and other communications requesting us to assist the producers of grain and the operators of grain elevators in handling the grain, by providing cars to transport the grain to eastern markets. Today grain is lying in the stubblefields of the Midwest because we cannot get boxcars. Every shower causes further deterioration in that food product.

We need to examine the question from every angle, and to say to ourselves, as a people and as a Congress, that we have dilly-dallied too long, and that we have allowed selfish interests to prevent the construction of this great seaway, which is a necessity to the future welfare of the people of this Nation.

This project would provide hydroelectric power in the New England area, where industries are suffering today. Industries are closing because the rates for electric power are so high that the industries can go elsewhere and establish themselves and manufacture cheaper than they can in New England. The people of New England must realize this, before it is too late.

Mr. President, the development of this project is long overdue. The railroad companies would have greater business out of the Midwest and greater business across the Nation, whether it be from the North, the South, the East, or the West, if the seaway were allowed to become a reality. It seems a pity that all the Presidents of the United States from Woodrow Wilson up to the present time have advocated this project, but we in Congress have not acted.

Mr. President, on a previous occasion I had printed in the Appendix of the Record an article by Leo Sonderegger, published in the Minneapolis Star of August 11, 1951, and an editorial from the same issue. I now ask unanimous consent to have the article and editorial printed in the Record at this point as a part of my remarks.

There being no objection, the article and editorial were ordered to be printed in the Record, as follows:

THE ST. LAWRENCE STORY—SEAWAY PROPOSANTS STRONG, BUT FOES OUTMANEUVER THEM

(By Leo Sonderegger)

(Fifth in a series)

Getting an objective picture of the St. Lawrence seaway project is not like scooping high-grade iron ore from an open-pit mine. It is more like the tough job of extracting iron particles from taconite.

For half a century the seaway proposal has given rise to surveys and reports and arguments and counterarguments, to dreams and statistics and flag-waving and ax-grinding, to stern warnings and cries of demagoguery.

The result is a mass of material as resistant to appraisal as taconite is to giving up its iron. This article and the next two will seek to clarify the main streams of the controversy.

The seaway project has not been stalled for lack of able champions. Every President since Woodrow Wilson has favored deepening the St. Lawrence channel. Every official body that has studied the matter has reported favorably.

The Government has not been alone in advocating the seaway. Powerful labor and farm bodies have thrown their weight in its favor. Recently some influential business interests have joined up.

The support has been strong. But the opposition has been stronger, and more adroit.

The eastern railroads fear that they would be hurt by the seaway, so they fight it. Their chief comrades in battle have been the port of New York and other Atlantic and Gulf ports, the coal companies, some eastern utilities, the United Mine Workers, the non-operating rail brotherhoods.

FOES USE TWO WEAPONS

Proponents of the seaway have repeatedly been fought to a standstill by this phalanx. It has made brilliant use of two principal weapons: argumentation and selective political pressure.

Men have talked of a deep seaway into the continent for more than 100 years. The talk was stepped up half a century ago when the United States-Canadian Deep Waterways Commission made a survey and said the prospects were good.

The talk lagged again, but after World War I an international joint commission established by the boundary waters treaty of 1909 went out for another look. It conducted hearings in both countries and added its favorable recommendation to that of the earlier group.

President Coolidge appointed a St. Lawrence Commission and made Herbert Hoover, then Secretary of Commerce, its chairman. Hoover's group also reported favorably.

He continued his interest when he became President, with the result that a treaty providing for joint construction of the project was signed by Canada and the United States in 1932.

PEARL HARBOR PREVENTED VOTE

The treaty received only 46-42 approval in the Senate, rather than the two-thirds majority needed for ratification.

To replace the treaty, an agreement requiring only a simple majority in both Houses of Congress was negotiated with Canada in 1941. The House Rivers and Harbors Committee approved it in November, but Pearl Harbor kept it from coming to a vote.

Most of the time since, the chances of seaway legislation have not seemed robust. It has been bottled in House and Senate committees. The railroad interests have whittled airtight stoppers.

Historically, the division in Congress has not been on party lines, but on the basis of local, sectional, or purely economic interests. This year, the dormant political angle was stimulated by a Republican leader who urged his colleagues to vote against the seaway rather than let the Democrats take credit for it.

Whether or not he was successful, the fact remains that when the House committee acted on the measure 10 out of 12 Republican members voted against it. Of the committee's 15 Democrats, 10 voted for the project.

SEAWAY FOES USE NEGATIVE ARGUMENTS

Those who oppose the seaway are necessarily on the defensive; they are fighting a delaying action. They have fought this kind of action successfully for years.

Their arguments are negative: The project is not necessary, it would be too expensive, it would not be used as much as its proponents claim, it would be difficult to defend in time of war, it would hurt railroad and port business.

Proponents of the seaway have the advantages—and the disadvantages—of being on

the positive side. They make broad assertions with regard to seaway potentialities, but theirs is the burden of proof.

Spearhead of the opposition is the National St. Lawrence Project Conference. Most elements against the seaway have joined this group.

More than 60 percent of its financial support comes from the Association of American Railroads, another 10 percent from the coal companies. Dozens of chambers of commerce dangle from its letterhead but contribute no funds.

Chairman of the project conference is Carroll B. Huntress, vice president of Republic Coal & Coke Co., of New York. Huntress is a man with a strong east-coast orientation and a jaundiced view of his opponents' motives.

SEES POLITICS AT BOTTOM OF SEAWAY

He is suspicious of President Truman's reasons for pushing so hard for the seaway. He purports to believe that talk of the project's importance to national security is nothing more than camouflage of the administration's real purpose.

To him, the motivation can be summed up in one word—votes.

He lumps together all the Government's top witnesses—Dean Acheson, Secretary of State; Charles Sawyer, Secretary of Commerce; Defense Secretary Marshall; Defense Mobilizer Charles E. Wilson, and others—with the comment, "After all, they're all in the Army."

When Huntress was asked about the railroads' claim that the seaway would hurt their business, he commented, "If what they say is true it would wreck 'em; if what they say is not true, it would be a tremendous fiasco."

Huntress and Dr. N. R. Danielian, executive head of the rival Great Lakes-St. Lawrence Association, are pretty much agreed that the effect on the railroads is the crux of the disagreement.

Huntress said, "It would be very difficult for the railroads to go against it if it could be clearly shown that it would be paid for by tolls." That would end talk of subsidized competition.

Danielian put it more bluntly: "The only issue is: Are the railroads going to be hurt or aren't they?"

Danielian is a Harvard doctor of philosophy who has championed the seaway for 10 years. In the process he has become the Nation's best informed authority on the project.

Most of the time his work has been generally a lone-wolf proposition. In the past year or so, however, the American companies interested in the Labrador iron-ore deposits have bolstered the association with new money, new arguments, and solid political influence.

FINANCIAL COMPARISON IS CALLED UNFAIR

The new money has given the association funds to more than match those of the project conference. Workers in Danielian's office insist, however, that the financial comparison is not a fair one.

They claim, with justice, that the opponents have not only their stated funds but the services of a network of railroad employees more or less committed to working against the seaway.

The opponents counter with an even more obvious truth—that the St. Lawrence association works closely with Federal departments and can draw on them for propaganda materials.

At any rate, the sound of the grinding of axes is heard in the land whenever the St. Lawrence seaway is argued.

Not all the proponents have motives of flawless altruism; nor do all those who fight the seaway do so from a narrow and selfish viewpoint.

But, generally speaking, those who favor it grind the big ax of national interest, while

those who oppose it grind little axes of sectional and economic interest.

AN IRONIC FEARFULNESS IS DELAYING THE SEAWAY

Leo Sonderegger's report on the St. Lawrence seaway project, now running in the *Star*, are a fine example of how a fresh eye sees things that a tired eye misses. Sonderegger recently came to the *Star* from the Providence (R. I.) Bulletin.

As he makes acquaintance with the seaway project for the first time, Sonderegger reacts with something like amazement that this entirely logical North American internal development should have been delayed so long.

To upper midwesterners who have lived for years with the self-serving obstructionism, the interregional logrolling, and seaboard short-sightedness that have blocked the project, these snares seem a sort of fact of life to be accepted like human oneriness.

To a newcomer, encountering them for the first time, they seem shocking in the light of the resources wasted and the senseless hobbles placed on the free growth of the country's great and growing heartland.

The delay in completing the seaway puts the country in an almost shameful position. America could divert the waters of the Colorado to southern California, turn the State's Central Valley into a productive garden, harness the energies of the Tennessee and the Columbia—but the most logical development of all it cannot touch.

And this is the same country that can find billions for the development of Europe and Asia, and that talks of point 4 programs for undeveloped areas.

Sonderegger discovers that interests that have blocked the seaway for years now concede they can't block it much longer. The key to this is the brutal fact that either a channel to deep water will be opened to let in offshore iron ore, or the steel industry will leave the Great Lakes Basin.

To a long-time supporter of the seaway like the *Star*, this has been obvious for some time. It has also been obvious that when the seaway opens established patterns of commerce and transportation in the upper Midwest will be wrenched and shifted.

Fear of the stresses a new transportation artery will cause—unwillingness to embrace change in confidence that it will mean progress—is at the bottom of the decisive margin of remaining opposition. This fear is an ironic thing.

In the committee vote that postponed the seaway yet another year, Republican members of the committee voted almost solidly for delay. Had two minority members switched to support, the project would have been carried.

The irony of all this is that it was the Republican Party that opened the public purse nearly a century ago to push the railways across the western prairies and mountains before there was anything for the railways to haul.

THE PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, I was waiting for the Senator from Texas to allot further time. Does the Senator from Texas have any further speakers?

Mr. CONNALLY. I have none in mind at the moment.

Mr. AIKEN. I have several speakers. Mr. CONNALLY. The Senator had better use them.

Mr. AIKEN. I yield 5 minutes to the junior Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, I am very happy to join with my colleague the senior Senator from Minnesota, and other Senators in support of this amendment for the St. Lawrence seaway as a basic part of the mutual-security system.

I have heard some say that this amendment may not be entirely appropriate to this bill. Let us look at the title of the bill. It says: "A bill to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to a friendly nation in the interest of international peace and security." Let us stop and analyze it for a moment. Surely the St. Lawrence seaway has something to do with the general welfare of this Nation. Surely it has something to do with our foreign policy, because it must be constructed by two nations, the Dominion of Canada and the United States of America. Surely it falls within the category of the phrase "furnishing assistance to friendly nations." There is no nation more friendly to the United States than the Dominion of Canada. If two peoples could be any closer together they would have to be, indeed, blood brothers or members of the same family. Canada is anxious to have the two nations construct the project. It is entirely probable that unless we go along with her she may take it on herself. We have had splendid relations with the nation across the border. I suggest that we should cement them further by the construction of this vital link in our transportation system.

I heard an address delivered in 1946 by the former head of the Defense Transportation Administration, Mr. Johnson. The theme of it was that transportation is the key to a nation's security. The proposed waterway is the greatest transportation artery that has ever been conceived. All we need to do is to dredge some of it and to build a canal 113 miles in length and in that way obtain a seaway transportation line of 2,400 miles.

A good deal has been said about share and share alike. That needs to be looked into. Here we have a seaway which comes in from the Atlantic coast and runs to mid-America. It extends from the Atlantic coast to the port of Duluth, Minn., on Lake Superior. It comes to the second largest port in the United States, which is an inland port. The construction of the seaway would serve ports on the Great Lakes which carry 50 percent as much tonnage as is carried by all the ports on the Pacific coast, the Gulf coast, and the Atlantic coast put together. I repeat that the St. Lawrence seaway would constitute a great system of water transportation for ports which handle 50 percent as much tonnage as is handled by all the ports on the Atlantic coast, the Pacific coast, and the Gulf coast, put together, despite the short shipping season.

Mr. President, there are other points which should be made on this subject. We are supposed to be strengthening America with the mutual-security bill before us. The word "mutual" means

a two-way street. We are about to authorize \$7,500,000,000 for foreign aid. It would be wise to authorize \$500,000,000 for this vital program. It would make the word "mutual" mean what it is supposed to mean. Mutual security requires the security of this country.

We have always had the prophets of doom. They say the completion of the project would wreck the railroads, hurt eastern industry, and cause other undesirable results. The only thing that will wreck the railroads is their selfishness and short-sightedness. The only thing that will hurt eastern industry and the eastern ports of the country is their unwillingness to go along with the development of the total resources of the country. In Congress some years ago some Members stated that to build TVA would hurt some other sections of America.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I ask the Senator from Vermont [Mr. AIKEN] to yield me one more minute.

Mr. AIKEN. I yield one more minute to the Senator from Minnesota.

Mr. HUMPHREY. Many persons held the view that if we built Grand Coulee it would hurt some other area in America, but, in fact, whenever we build up any part of America we strengthen all of America. I want to help strengthen the Northwest; I want to help strengthen the Southwest, the Southeast, and the Northeast. I say that we had better look to strengthening mid-America—that great section of the country which is so strong in terms of food, fiber, and industry.

I join with my friends in the New England area in trying to see to it that they get rid of their high power rates. The highest power rates in the United States are being paid by the people in New England. That is why New England has been losing its industry; that is why New England is suffering today. If we built the project, we could kill two birds with one stone: It would reduce the cost of transportation and the power rates.

Mr. President, the pending amendment is not only germane but it is vital. It is urgent that the St. Lawrence project be built. The time is long overdue. It should have been built long ago. It is time that Congress acted favorably.

Mr. AIKEN. Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. Twenty-two minutes.

Mr. AIKEN. The Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], and the Senator from Michigan [Mr. MOODY] wanted some time yielded to them.

At this time I should like to invite attention to the fact that the pending bill carries provisions for constructing \$378,000,000 worth of power plants in foreign countries, which might or might not be available to us in the event of a third world war.

Mr. MUNDT. Mr. President, may I ask the Senator from Vermont to repeat the figure?

Mr. AIKEN. Three hundred and seventy-eight million dollars. That is not to be put up by the United States alone. I have the itemized figures, if the Senator from South Dakota would like to have them.

I also wish to point out again, as I did yesterday, that Canada is carrying a part of our burden. We approved a treaty with Canada for the further development of Niagara Falls. While we quibble and squabble on this side of the line, Canada on her side of the line is building generators sufficiently large to generate not only the power which can be used in Canada but also one and one-fourth million horsepower which the United States could and should be generating if we could agree on getting the work started.

I yield 5 minutes, to start with, to the junior Senator from Michigan.

Mr. MOODY. Mr. President, the St. Lawrence seaway project has been before Congress for approximately two decades. It is no ordinary public-works project. It is a self-liquidating project. Competent advisers have assured us that it will not cost the taxpayers one penny in the long run.

It is certainly not a partisan project, and it is not a sectional undertaking. It has become clear, in view of the great expansion which is now under way in our steel industry, and the great expansion which must take place in our ability to produce hard goods in America and to export them to our allies, that a source must be found somewhere for a vast increase in our natural ore resources.

The United States is engaged in a tremendous mobilization program, the objective of which is to strengthen our defense and the defense of our European allies, so as to deter Communist aggression and to keep the peace.

The defense program is taxing and will continue to tax our natural resources to the utmost. I am speaking now of our physical resources. It is already imposing in some areas a severe strain on our expanding production, particularly in the case of metals.

Mr. President, the bone of our defense structure is steel and the muscle is power. In both of those categories we are facing critical shortages, and shortages in both categories would be measurably relieved by the construction of the St. Lawrence seaway project.

We have heard a great deal said on the Senate floor by those who do not seem to be able to conceive of the need for general and strong allied resistance to the Communist threat to the effect that America is doing too much for our allies. I submit that here is an opportunity for America to get a little reverse lend-lease, so to speak, from one of our allies, our great neighbor, Canada.

Our steel expansion is going forward so rapidly that our iron-ore needs will be increased to a point where we must import iron ore in large quantities. Iron ore is now coming into America from Venezuela, and vast new sources of iron ore have been discovered in Labrador. How are we going to bring that ore into the country in the best and cheapest way? Obviously, through this waterway.

The distinguished senior Senator from Minnesota [Mr. THYE] has pointed out that every President of the United States since Woodrow Wilson has advocated this project. President Truman not long ago said that it was the most important project before the Government. In view of the vast amount of materials and steel being exported to our allies, we must take some action to prevent the resources of our country from being depleted. It is vital to our economic strength and to our military strength. It is essential for national defense.

Who says that? The Joint Chiefs of Staff say it. The Secretary of Defense, Gen. George C. Marshall, says it. The Secretaries of the Army, the Air Force, and the Navy all say it. The Mobilization Director, Mr. Charles Wilson, says it. The Chairman of the Munitions Board, who is charged with the supplying of raw materials, Mr. John D. Small, says it. The Chief of Army Engineers, Major General Pick, says it. So does the President of the United States.

Mr. President, it seems to me that it is about time that Congress get down to business and take action on this project.

I should like to read to the Senate an editorial which was sent to me from the Toronto Globe and Mail. I think this great project should be partly an American project. In view of the way the Congress has been delaying, Members apparently believe that we have from now until doomsday to start the project.

After wishing those who now are advocating this project good luck, the editorial states as follows:

But whether he wins or loses is not of vital concern to them now. The seaway proposition is settled. Canada is going to build it herself.

The Canadian Government may be hesitant to come out and say so. It has now, for some inexplicable reason, appointed a cabinet committee to consider the seaway project, and reach a decision. But the Canadian people aren't hesitant; they have already reached their decisions. They were led to believe that we could do it alone.

Mr. President, the editorial continues as follows:

Only one thing can change this decision. If the United States has a last-minute change of heart, there is time for it to come in and make the seaway a joint enterprise. But Canada is not going to wait for that, or hope for it. We have learned our lesson.

It is the United States, not Canada, that must do the worrying now. If the Americans want to come in on the seaway, they have just so much time to do it. Once excavation has started on the all-Canadian route, it will be too late. However much they huff and puff, we shall have to turn them away.

Mr. President, I do not think this Congress, when confronted with the opportunity to make a development such as this one—

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. AIKEN. Mr. President, I yield 2 minutes more to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 2 minutes more.

Mr. MOODY. I thank the Senator.

Mr. President, I do not think this Congress, when confronted with the opportunity to make a development such as this one, and when confronted with the fact that our iron resources in the Mesabi Range are being depleted to such an extent that already we are importing iron ore, should stall on this project. As the Senator from Vermont has said, there are in America special selfish interests that are opposing this public interest by opposing this amendment.

I hope the Senate will take prompt action on the St. Lawrence seaway.

I now ask unanimous consent to have printed at this point in the Record all of the editorial from the Toronto Globe and Mail, to which I previously referred.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

LET WASHINGTON WORRY

Senator BLAIR MOODY, of Michigan, says he is going to fight to have the St. Lawrence seaway project included in the United States Senate's \$3,500,000,000 foreign-aid bill. The project, he says, is essential to American defense; and it is on those grounds that he hopes to have it approved.

Canadians will wish the young Senator good luck in his campaign. But whether he wins or loses is not of vital concern to them now. The seaway proposition, as they look at it, is settled. Canada is going to build it herself.

The Canadian Government may be hesitant to come out and say so. It has now, for some inexplicable reason, appointed a Cabinet committee to consider the seaway project, and reach a decision. But the Canadian people aren't hesitant; they have already reached their decision. They were led to believe that we could and would do it alone.

Only one thing can change this decision. If the United States has a last-minute change of heart, there is time for it to come in and make the seaway a joint enterprise. But Canada is not going to wait for that, or hope for it. We have learned our lesson.

It is the United States, not Canada, that must do the worrying now. If the Americans want to come in on the seaway, they have just so much time to do it. Once excavation has started on the all-Canadian route, it will be too late. However much they huff and puff, we shall have to turn them away.

"You had your chance," we can tell them. "You had innumerable chances. And you threw all of them away. Now kindly stand aside, and let us proceed with the work."

Mr. AIKEN. Mr. President, how much time remains to our side?

The PRESIDING OFFICER. Thirteen minutes.

Mr. AIKEN. I yield 5 minutes to the Senator from Oregon [Mr. MORSE].

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, I shall not take all of the 5 minutes, but again I wish to place myself on record in favor of the St. Lawrence project. I am glad to be associated with my friends, the Senator from Vermont [Mr. AIKEN] and the Senator from Michigan [Mr. Moody] and other Senators, in favor of this development.

Of course I should be glad to consider this project on its own merits, independent of any foreign-aid bill. However, at least the Senator from Vermont and the Senator from Michigan are serving a good purpose this after-

noon in using the so-called rider technique for discussion purposes, in again making a record which I think should persuasively compel the Foreign Relations Committee to order an early hearing on this project at this session.

I think it is most regrettable that so far we have not been able even to obtain a hearing on this project at this session. Certainly a project so important as this one, backed by as many Members of the Senate as is the St. Lawrence project, is deserving of much more favorable consideration and treatment by the Foreign Relations Committee than it has obtained thus far at this session of Congress.

Mr. President, I hope the record made this afternoon will serve the purpose of hastening action on the St. Lawrence project by the committee itself, from the point of view of giving us early hearings on the matter.

Certainly it would be most unfair and unreasonable for the Senate to follow the suggestion of some Members of the Senate that we simply develop the power resources of the St. Lawrence but that we cut off the Middle West from the transportation features of this great project.

Of course, it is very interesting to consider, I say respectfully, why the suggestion is made by some that the transportation features of the St. Lawrence project be eliminated. Mr. President, whenever I have confronting me in the Senate an issue which involves the people's interest, I look to see what kind of opposition the proposal has.

In this instance it is very interesting to see what kind of opposition the St. Lawrence waterway has throughout certain portions of the country. The Senator from Minnesota [Mr. THYE] alluded to that opposition in a few remarks he made this afternoon. I want to stress that point particularly.

It is well known who are opposing this project. The great railroad combinations are opposing it because they want to continue with the kind of control they now have over the transportation system. They do not want to see the development of a competitive system along the St. Lawrence waterway, through the construction of this project.

Then, of course, the project is opposed by the great shipping interests in the already established ports along our eastern coast and Gulf coast, where those interests have spent a great amount of money in the development of terminals and shipping facilities. It is understandable, from the standpoint of their selfish interest, why they would be using the type of economic pressure they have been using over the years to prevent the development of the St. Lawrence waterway. But, Mr. President, mark you, just so surely as the sun rises in the heavens, when the St. Lawrence waterway is built, you will find the same companies which now are fighting it with such great economic power, coming in to take advantage of the business which will be created by the St. Lawrence waterway project, and they will be building their terminals along the St. Lawrence waterway, just as they have built terminals in the existing seaports

along the eastern coast and the Gulf coast.

So I think we always need to appraise very carefully the type of opposition which faces any project such as this one. When we do that, and when we realize the selfish interest of the opposition, we certainly must discount much of the opposition.

In this argument this afternoon I point out that as we enter the atomic era it is important that we, as Americans, develop every possible kilowatt of potential power in the United States. That is why I have made it clear that my vote can be counted among those in support of the development of all the power resources in the United States, anywhere in the United States—either in Florida or in Canada or on the Great Lakes or in the Pacific Northwest or anywhere else in the United States.

I say that in this case we are dealing with a project which is vitally important to the future security of the United States, because in a very real sense it can be said that the supremacy of the United States over Russia and over the Communist threat of Russia in the days to come will depend upon the extent to which we keep ahead of Russia in the great race for the development of the power potentials which are available in this country. On that basis alone, I think that in due course of time, after the appropriate hearings, at this session of Congress this project certainly should be approved and inaugurated.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. AIKEN. Mr. President, yesterday, I pointed out to this body that it was with reluctance that the junior Senator from Michigan [Mr. Moody] and I offered this St. Lawrence proposal in the form of an amendment to the bill which now is before the Senate. I pointed out that the reason we offered it was the very great difficulty we had encountered in securing any action on this matter by the Foreign Relations Committee of the Senate. I pointed out that that was due largely to the opposition of the chairman of the committee not only to the St. Lawrence development itself, but also to holding any hearings or taking any action upon the matter. In view of that, I felt that we were completely justified in offering this great, vital proposition, which has been pleaded for by the highest military and civil authorities of both Canada and the United States, in the interest of national defense, as a rider to the foreign aid bill, to which I think it is perfectly germane.

I have been advised, however, that in spite of the opposition of the chairman, the majority of the Committee on Foreign Relations has agreed to take action on the St. Lawrence proposal at the earliest opportunity. I have talked with a majority of the members of that committee, and I am satisfied that they mean business. I am also satisfied that the situation in the House is changing, so that the prediction that we would never get action by the House, even if the bill were passed by the Senate, is not true.

Within the next few months, I believe that we shall find the House, as well as the Senate, ready and willing to act upon this proposal.

Because of the conviction that the Foreign Relations Committee of the Senate intends to take action upon the St. Lawrence bill at the first opportunity, the junior Senator from Michigan and I, therefore, will not insist upon a vote on this amendment as a rider to the foreign aid bill, and I at this time withdraw the amendment.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Michigan.

Mr. MOODY. I think the statement of the Senator from Vermont is an excellent one. I should like to make it perfectly clear for the record that the Senator from Vermont and the Senator from Michigan have, together, talked to a majority of the members of the Foreign Relations Committee, and that they have given us every indication that they sincerely favor and will push for a prompt vote in committee on this proposal.

One reason for the action of the Senator from Vermont and the Senator from Michigan in bringing the subject up was that we felt that this project was too important to be allowed to become bogged down in any committee. We believe that the Senate and House of Representatives should be given an opportunity to vote on it. Because of the fact that we have brought the subject before the Senate, perhaps some attention has been centered on it, and we now have the assurance of individuals on the Committee on Foreign Relations that it will receive early action. Therefore, I concur in the action of the senior Senator from Vermont in withdrawing the amendment.

Mr. AIKEN. Mr. President, I am satisfied that the majority of the members of the Foreign Relations Committee intend to take action on the matter at an early date. It is for that reason that the Senator from Michigan and I are withdrawing the proposed amendment at this time.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. AIKEN. If I have any time, I yield to the Senator from South Dakota.

Mr. MUNDT. Mr. President, does the Senator from Vermont have any time remaining?

The PRESIDING OFFICER. The Senator from Vermont has 2 minutes left.

Mr. AIKEN. I understand that the time expires when the amendment is withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn. The committee substitute is open to further amendment.

Mr. GILLETTE. Mr. President, I call up an amendment which is on the desk, ask that it be read, and move its adoption.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 60, it is proposed to strike out all beginning

with line 14 through line 4, on page 61, as follows:

SEC. 508. Whenever the President determines it to be necessary for the purpose of this act, not to exceed 10 percent of the funds made available under any title of this act may be transferred to and consolidated with funds made available under any other title of this act in order to furnish, to a different area, assistance of the kind for which such funds were available before transfer. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Appropriations of the Senate and House of Representatives. In the case of the transfer of funds available for military purposes, he shall also forthwith notify the Committees on Armed Services of the Senate and House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. Gillette].

Mr. GILLETTE. Mr. President, the amendment which I have now called up is very brief, and because of the limitation of time, my presentation must be very brief. I presented this amendment because I could not sit silent while there was presented to the Senate so glaring an example as the section I propose to eliminate of the prevalent trend toward an abdication on the part of the legislative branch of its responsibilities under the Constitution for the disposal of the property of the United States, and fixing the rules and regulations for such disposal.

Every Member of the Senate and every Member of the other House receives complaints about alleged extravagance and waste of public money in the executive departments; but we, as members of the legislative branch, cannot hide behind the fact that we are Members of the Congress, and we cannot become legislative Pontius Pilates and say, "We wash our hands of responsibility—see ye to it."

The particular provision in this bill which my amendment seeks to strike out, is the so-called transferability amendment, under which the President of the United States is clothed with power to transfer 10 percent of the funds made available under any title to any other title or area for the same purpose. The argument used to support the provision is that, because of changed conditions and because of exigencies which might arise, it is necessary that power be vested so that immediate action may be taken to transfer funds from one area to another, where there may be a greatly increased need.

But, Mr. President, I call attention to the type of legislation which we shall possibly pass before this session adjourns. Sponsors of the pending measure ask for elasticity. I may call attention to title I. Title I provides for an appropriation of \$5,043,350,000, plus any unexpended balances in prior appropriations. For what? For the Atlantic Union? For the Atlantic Pact countries? It is for any country in that group. All of it could be devoted to Great Britain, all of it could be spent in France, all of it could be spent in Belgium, or in other countries which are parties to the North Atlantic Pact, or in any country of

Europe outside that group, at the will of the executive branch.

Furthermore, \$100,000,000 of the appropriation plus the unexpended balances of previous appropriations could at the will of the President, or, of course, at the will of his agents, be devoted to any selected persons, such as displaced persons.

In that connection, let me read from the committee hearings on the Mutual Security Act of 1951. Mr. Rusk, of the State Department, was a witness. I asked Mr. Rusk the following questions, to which he gave the following answers, found on page 549 of the hearings:

Senator GILLETTE. * * * section 301, of this title III, provides that \$555,000,000 shall be authorized to carry out the provisions of the Mutual Defense Act of 1949.

That is true; is it not?

Mr. RUSK. Yes, sir.

Senator GILLETTE. And in addition, that unexpended balances shall be made available.

Do you know what the amount of unexpended balances for that purpose is that are available?

Mr. RUSK. No, sir.

Senator GILLETTE. You do not know that?

Mr. RUSK. No, sir, I do not.

Senator GILLETTE. If you people did not know the amount of the unexpended balances that were available, how could you determine your sum of \$555,000,000 that would be necessary to carry out the purposes?

The allegation is made that the proposed appropriation has been screened and sifted to the lowest possible dollar necessary for carrying out the purposes of the act. Yet, in the bill itself, there is a provision that the same money which is to be devoted, or which is supposed to be devoted, to NATO countries can be spent in any nation of Europe at the will of the President. In addition to this, the unexpended balance will be available for the same purpose. There is \$1,130,500,000 assistance provided for ECA, in addition to the unexpended balance which will be available. There can be a transfer from the ECA fund to the military fund, or from the military fund to the ECA fund, of not to exceed 5 percent.

Again I ask, What do those who will handle the money want in the way of elasticity? What do they want in the way of flexibility?

Mr. CASE. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. CASE. The argument which the Senator is making appeals to me very much. He is talking about the transferability of 10 percent. There is \$5,000,000,000 available. Ten percent of that would be \$500,000,000. If we can take \$500,000,000 out of that fund and give it to one of the minor funds, it increases the minor fund 5 or 10 times.

Mr. GILLETTE. There can be no question about that. I thank the Senator.

Title 2 provides for \$369,250,000 to Greece, Turkey, and Iran, plus any unexpended balances. Section 202 of title 2 provides that 10 percent, or \$39,625,000, may be made available for the President to grant to any country in the Near East area, at his will. Ten percent can be made available to any country in the

Near East area. Yet flexibility, resiliency, and elasticity are asked for.

The sum of \$122,500,000, under section 203, title 2, may go to any area in Africa or the Near East. The entire sum can be made available to Liberia; the entire sum can be made available to Ethiopia; the entire sum can be made available to Saudi Arabia, at the will of the President. Yet those who will be in charge talk about elasticity and flexibility.

Under title 3, \$535,250,000, plus unexpended balances of which no one knows, is available for expenditure in the Far East, including Korea and the Philippines.

There is authorized \$173,750,000 in the same area, excluding Korea, plus unexpended balances, and for Korea reconstruction \$75,750,000, plus unobligated balances, and 50 percent may be transferred to the appropriation authorized by section 302 (a).

Again I ask, Mr. President, why do these men ask for flexibility? Why do they ask for elasticity? It is not a 1-way stretch; it is a 10-way stretch.

In a provision in title 3 there is made available under this authorization \$789,750,000, with the provision that 10 percent of that, or \$78,975,000 can be transferred at the will of the President, under title 3.

In title IV, \$38,150,000 is made available to the Western Hemisphere, plus \$15,250,000 for other purposes.

Mr. President, my time is limited, but I should like to call attention to the total that is made available if the provision which I have asked to have stricken by amendment remains in the bill. In addition to the powers of transfer provided, 10 percent of any funds will be made available at the will of the executive department for the same purpose, a total of more than \$1,000,000,000. In addition to the flexibility which is contained in the bill, a transfer can be made under the authority of the President amounting, all told, to well over \$1,000,000,000.

I ask, Mr. President, is that legislative responsibility? How long are the Members of Congress going to take a position that they have discharged their constitutional obligation by turning over to the executive department a huge sum to play with—and in this particular bill there will be over \$1,000,000,000 to play with—for the executive department to transfer as it sees fit, when it has already taken the position that it has cut the dollar to the smallest possible point? I am not going to sit still, Mr. President, without asserting to the Senate and to the people of the United States that I, as one Member of the Senate, am not willing to have the country treated in this way.

It may be asked, "Do you not trust the President? Do you not trust Secretary Acheson?" It is not a question of trusting. The constitutional fathers did not trust the President. They did not trust the Executive. They said the responsibility was ours.

Never in my experience in the Congress of the United States has there been presented a measure in which there has been a more complete, a more glaring, a

more indefensible position than that which is taken in the bill, if we pass it in its present form, and especially if we pass it containing the provision which I have asked to have stricken out. It will be bad enough with that provision stricken out.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

Mr. CONNALLY. Mr. President, I am ready for a vote.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Iowa [Mr. GILLETTE].

Mr. CASE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

During the call of the roll,

Mr. CASE. Mr. President, it is reported to me by the author of the amendment that the chairman of the Committee on Foreign Relations is willing to take the amendment to conference. If that is so, I shall not press for a quorum call at this time. If I may be recognized, by unanimous consent, for half a minute, I should like to call attention to a certain matter.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). The Chair must rule that a quorum call is in progress. No intimation has come to the Chair that there is such a disposition on the part of the chairman of the committee as the Senator from South Dakota has indicated.

Mr. CASE. Mr. President, is any time left on the amendment?

The PRESIDING OFFICER. The Senator from Iowa [Mr. GILLETTE] has 2 minutes remaining. The Senator from Texas [Mr. CONNALLY] yielded up all his time.

Mr. CASE. Mr. President, if the Senator from Iowa will yield to me, so I may be recognized for the 2 minutes remaining under his control, I shall withdraw my request for a quorum call.

Mr. GILLETTE. Mr. President, if the Senator from South Dakota will ask unanimous consent that the order for the call of the quorum be rescinded, I shall be glad to yield to him the 2 minutes of the time remaining to me.

Mr. CASE. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CASE. Mr. President, the service which the Senator from Iowa has rendered in calling attention to the provisions of the bill in question, I think should be noted by the Senate, and I certainly hope that if the amendment which he has offered to strike is taken to conference, the Record will show the import of the section, and what might be done to cure it.

Section 508, which the Senator from Iowa seeks to strike from the bill, would

permit a 10-percent transfer from any fund in the bill to any other fund in the bill. Under that section 10 percent of the largest fund could be taken from it and added to the smallest fund. One of the funds provided for in the bill is a \$5,000,000,000 fund. Ten percent of that is \$500,000,000. That means that \$500,000,000 could be transferred to the smallest fund in the bill, and make the smallest fund many times larger than there was any need shown for.

It may be that the power which would be granted by the section may never be abused to that extent, but it indicates the possibilities of the language in the proposed legislation. That might be cured somewhat if the transfer paragraph were a two-way proposition. It could be cured, I may suggest, Mr. President, by adding a proviso in line 20, after the word "transfer", to insert "*Provided, however, That no fund may be increased by more than 10 per centum.*"

I desire at this time to put in the RECORD the suggestion that if the amendment is taken to conference, in conference the transfer clause might be modified by placing a limitation upon the amount that might be transferred to any other fund; in other words, to add "*Provided, however, That no fund may be increased by more than 10 per centum.*"

Mr. President, I hope the amendment may be taken to conference and eventually agreed to, at least in the modified form suggested.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. GILLETTE].

Mr. CONNALLY. Mr. President, the Senator from Texas, the chairman of the committee, agreed to take the amendment to conference, but that does not involve any obligation as to what the Senator will do in conference, or what action the conferees will take on the amendment. I hope the Senate will kill the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed—

Mr. CONNALLY. Oh, no.

Mr. CASE. Mr. President, I offer an amendment—

Mr. CONNALLY. No; I do not agree to that. I said I hope the Senate will not agree to the amendment, but will kill it.

The PRESIDING OFFICER. The Chair misunderstood the Senator from Texas. Is it the position of the chairman of the committee—

Mr. CONNALLY. I cannot take it to conference with any obligation whatever. That ends the matter.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. GILLETTE].

The amendment was agreed to.

Mr. LEHMAN. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 46, in lines 5 and 6 (sec. 101 (a) (2)), it is proposed to strike out the figure "\$10,000,000" and substitute therefor "\$15,000,000."

Mr. LEHMAN. Mr. President, my amendment deals with what I consider one of the vital aspects of the most vital piece of legislation to come before the Senate during this session or any session.

My amendment deals with that portion of the bill which points toward an amelioration, and perhaps a solution of one of the most important and difficult of the basic problems of Western Europe—the problem of surplus populations.

This basic problem contributes in no small measure to the necessity for the legislation now before us. It helps to make fallow the ground in which the seeds of internal weakness in Western Europe are sowed and cultivated. It helped make possible the advances of communism up to 1947. It has more recently stimulated the growth of super-nationalistic and fascistic forces in Italy, Austria, and Germany.

These latter forces, according to the findings of the subcommittee of the Foreign Relations Committee which made a recent trip to Europe, are neutralist and are bitterly opposed to cooperation with the United States, and to cooperative resistance to Soviet aggression. They and the Communists are the forces which are the most disruptive of the internal strength and stability of the nations and governments of Western Europe. They, like the Communists, are enemies of freedom. They are unwittingly—or perhaps not so unwittingly—tools of the Soviet design for the destruction of the unity of Western Europe and of the free world.

The pressure of populations in excess of the capacity of these countries to support and absorb these people is a force directly and violently opposed to all our efforts to help build strength. This pressure undermines all the purposes we hope to achieve through the basic legislation now before us.

Some of this population is native to the lands in which these people reside. Some consists of those hundreds of thousands and millions who were uprooted from their native lands and expelled or who fled from the countries now behind the iron curtain. Italy, Austria, and Western Germany today fester with the infection of this particular source of overpopulation.

Many of these expellees especially feel they have no stake in the peace and security of Western Europe. There is no future for them in the rude refugee camps in which they live, in the squalor and the hardships which they endure, in the resentment which they feel on the part of the natives of those lands.

The Right Reverend Monsignor Edward E. Swanstrom, executive director of the War Relief Services, National Catholic Welfare Conference, speaking before the Midwestern Regional Conference of the Displaced Persons Commission on November 20 last year, summed up the basic situation and the basic danger in words which merit quotation, as follows:

It is a fact of history that civilizations are menaced by that group of people which does not share in the spiritual or material benefits of the civilization in which they live. Time and time again, the dispossessed classes

have been used eventually as part of the destroying process which toppled regimes, empires, and whole civilizations.

Mr. President, all the money we spend for arms and economic aid—and all the money we have spent for economic aid—can be wasted if we do not help to attack in the most practicable possible manner this basic problem of surplus population in areas whose strength and stability is critical for the defense of the peace and of the freedom of the Western World. This surplus population and these centers of misery and discontent are cancerous infections in the nations involved. They can consume the whole body and destroy the validity of all efforts authorized in this legislation and in all the measures that can be taken by these nations individually.

This is a problem which no nation can solve for itself. The fact is that in at least five nations in what we now politically define as Western Europe—Italy, Greece, the Netherlands, Austria, and the Federal Republic of Germany—the populations are in considerable excess of the capacity of the nations involved to utilize or to support the individuals involved.

We have spent almost thirteen billions in economic aid in these areas. There is proposed in this bill an additional \$1,130,000,000—I think it should be more—for the same purpose. Aside from the money, we have ventured all our hopes, plans, and prayers on this program. We cannot afford to spare any effort which is possible or practicable for the solution of this basic problem.

I need not take time today to describe in any detail the tragic plight of the German expellees. A special subcommittee of the House Judiciary Committee of the House of Representatives has described and analyzed that entire situation. It is discussed in House Report 1841 of the Eighty-first Congress, Second Session.

When the Displaced Persons Act of 1948 was enacted and when it was amended in 1950, great emphasis was placed on a provision placed in that law declaring it the conviction of Congress that an international conference should be called to consider the problem of the German expellees, the ethnic Germans rooted out of their native lands in Czechoslovakia, Hungary, Poland, and Rumania, and thrust into Germany and Austria.

When the Economic Cooperation Act of 1948 was enacted it contained a provision, section 115 (e), directing the ECA Administrator to encourage arrangements among the ECA nations, in conjunction with the International Refugee Organization, for the best practicable utilization of manpower available in any of the ECA countries to help achieve economic recovery on the part of Western Europe as a whole.

Last year Congress added to section 115 (e) an additional sentence reading:

The Administrator shall also encourage emigration from participating countries having permanent surplus manpower to areas, particularly underdeveloped and dependent areas, where such manpower can be effectively utilized.

This is now part of the ECA Act, and is included by reference in the bill now before us.

Section 101 (a) (2) of the pending bill refers directly to the provision in the ECA Act to which I have just referred and provides that a certain sum of money—in the committee amendment, \$10,000,000 and in my amendment, \$15,000,000—be made available to effectuate these purposes—the effective utilization of manpower available in any of the ECA countries and the encouragement of emigration from any of the countries with permanent surplus manpower to areas where this manpower can be effectively utilized.

The ECA Act makes clear the desirability of converting this excess population into a producing part of the population, into a contributing part of the population. It is our national purpose to encourage this movement of population, not only for the sake of the countries on whom these people are an insupportable burden, but also in order to enable these people to make their full contribution to the welfare of the free world, as well as to their own well-being.

Today, welfare of one means strength for all. These people have skills and have strength which can be used, which should be used, which must be used.

I have some very recent and authoritative figures on these surplus populations, on this surplus manpower, which I ask unanimous consent to insert in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Of the 12,000,000 persons of German ethnic origin expelled from their homelands by the Soviet Union, approximately 7,600,000 were sent into the three western zones of occupation. Since the summer of 1946 (when these expulsions stopped), it is estimated that a minimum of 1,500,000 additional refugees have crossed the line of the Soviet zone of occupation into the three western zones of occupation.

This situation is further aggravated by the fact that from fifteen to twenty thousand additional refugees from political and religious persecution enter the western zones of Germany each month from the countries and areas under domination of the Soviet Union.

Approximately 47,600,000 people now live in the German Federal Republic (Western Germany). The 1939 population of this area was 39,400,000. In prewar years this area was able to produce only 60 percent of its required food. Latest estimates indicate that only 55 percent of the food requirements of the German Federal Republic are produced indigenously—making it necessary to import 45 percent of the food requirements. House Report No. 1841 indicates an excess of 1,000,000 farmers among the expelled who cannot be absorbed in the local economy because of the lack of land for them to work.

At the end of World War II, approximately 700,000 Italian nationals were expelled from the former colonies and returned to Italy, and in addition, some 125,000 Italians were expelled from, or fled from, the Italian territories ceded to Yugoslavia under the treaty of peace signed in Paris. The normal increase of birth over death rates in Italy has been estimated at 350,000 annually. It is estimated by the experts that Italy will be required to find new homelands for between

350,000 and 400,000 persons annually for the next 5 years.

The problem, although of different origin, is similar in Greece and in the Netherlands. No specific figures are available for those countries. Studies on them are now under way.

Mr. LEHMAN. Mr. President, this problem must be solved. It must be attacked now. Some studies and some efforts have already started. Some conversations among governments have already been held.

The House Foreign Affairs Committee and the Senate Foreign Relations Committee have given this subject deep and constructive thought.

As a result, the House voted to set aside \$30,000,000 for this vital purpose. The Senate committees decided to cut this figure down to \$10,000,000. The Senate committee report on this bill asserts that the \$10,000,000 recommended in this bill will be sufficient in the coming year to achieve the purposes in mind.

I do not know enough of the background to dispute the committee in detail. I only know that this is one of the most important projects in the entire bill. I have proposed to raise this to \$15,000,000. That will still be only one-half the House figure.

In any event, the direction given the ECA under this section is permissive. The amount of money devoted to this purpose is not to exceed the amount we vote. I think \$15,000,000 would be a fair compromise.

Nevertheless, I do not intend to belabor the question of the amount. I will trust to the judgment of the Senate and of the conferees. My major purpose in introducing this amendment, and in speaking on this subject is to emphasize the vital importance of this undertaking.

I hope that the ECA will understand—which some of its officials have not appeared to understand in the past—that this is a vital matter, of the most urgent importance for the success of all our efforts to strengthen the Western World, to raise the morale of the people of Western Europe, and to make arrangements which will contribute to the maximum, most efficient utilization of available manpower in Western Europe for the building of strength, for the building of peace.

Mr. President, as the committee report points out, the IRO is going out of business. There will be no agency equipped or authorized to handle the problem of refugees, not to speak of surplus populations.

The purpose of this provision is to pave the way for setting up an organization to take over the assets—the priceless shipping—and the functions of the IRO with regard to refugees and to add to that function, a concern with the problem of surplus population. That is a big job. It must be done.

I should like at this point to have printed in the RECORD the pertinent portions of the report of the Senate Foreign Relations Committee, page 45, the section beginning "migration of surplus manpower." I ask unanimous consent for this purpose. There being no objec-

tion, the excerpt was ordered to be printed in the RECORD, as follows:

SECTION 101 (A). MILITARY AND ECONOMIC ASSISTANCE

This subsection authorizes the appropriation of funds to the President for the fiscal year 1952 in order to support the freedom of Europe, and maintain economic stability in Europe, and encourage the economic unification and political federation of Europe.

(1) For military assistance: Not to exceed \$5,043,000,000 is authorized to be appropriated for military assistance for use under the terms of the Mutual Defense Assistance Act of 1949, as amended. Assistance is to be for countries party to the North Atlantic Treaty and for any other country of Europe which the President determines is important to the defense of the area, except that not more than 10 percent of the sum appropriated under this authority may be used for such other countries, and except that military assistance for Greece and Turkey are covered in title II.

This paragraph authorizes the use of not to exceed \$100,000,000 of the sum authorized to form selected escapees from iron-curtain countries into elements of military forces supporting the North Atlantic Treaty Organization. In adopting this provision the joint committee desires to make it clear that persons who might be formed into such units would do so only of their own free will and that this language is not designed to prescribe any particular way in which such units might be formed, either as national or as international units.

This paragraph also carries over unexpended balances of previous appropriations available under the Mutual Defense Assistance Act.

(2) For economic assistance: This paragraph authorizes the appropriation of \$1,130,500,000 for economic assistance to European countries under the terms of the Economic Cooperation Act of 1948. These countries include Greece and Turkey, which are covered for military assistance in title II, as well as Western Germany and Trieste.

Assistance in furtherance of additional military production in Europe will be provided under this subsection. Section 104 of the Mutual Defense Assistance Act imposes limitations on the use of MDAA funds by forbidding their use (a) to construct or aid in the construction of foreign factories or to provide equipment (other than production equipment) for them; (b) to defray the cost of maintaining such factories; (c) to compensate any country or person for diminution in export trade resulting from the carrying out of any program of increased military production or to make any payment to the owner of any factory as an inducement to undertake or increase the production of military goods; (d) to pay any person for personal services rendered in any such factory other than personal services of a technical nature provided by United States employees in order to establish or maintain production to effectuate the purposes of the act and in conformity with desired standards and specifications.

No similar set of prohibitions appears in the Economic Cooperation Act. Since the purposes of the latter act have been changed by the inclusion of the defense purposes of the new act, it will be possible for funds made available under provisions of the ECA Act to be expended for the objects which section 104 prohibits with respect to MDAA funds.

The paragraph also carries over unexpended balances of appropriations heretofore made under the Economic Cooperation Act.

Mr. LEHMAN. I also ask unanimous consent that there be printed in the

RECORD a telegram I have received from Msgr. Edward E. Swanstrom, executive director of the War Relief Services, National Catholic Welfare Conference, on behalf of his own organization and of a large number of others named in the telegram, in behalf of this provision in the pending bill, without reference to the specific amount recommended. I also ask unanimous consent that my telegram of reply to Monsignor Swanstrom be also printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., August 29, 1951.

HON. HERBERT H. LEHMAN,
United States Senator,
Washington, D. C.

As chairman of the American Council of Voluntary Agencies, Displaced Persons and Refugee Committee composed of the major voluntary migration agencies in the United States, among whom are American Friends Service Committee, American Jewish Distribution Committee, Church World Service, Hebrew Sheltering and Immigrant Aid Society, Lutheran Resettlement Service, United Service for New Americans, United States Committee for the Care of European Children, War Relief Services—National Catholic Welfare Conference, and others, I urge your fullest support of H. R. 5113 and am particularly concerned that there be clearly established during the debate that it is the intent of the Congress to provide that the use of ECA funds for the movement of surplus manpower from Western Europe will be withheld from any international organization, institute, or office which has among its membership nations which are Communist or Communist dominated. The provision that a specialized temporary operational organization which has as its sole purpose the movement of surplus manpower from Western Europe to areas of the world where manpower is needed for economic development is the soundest approach in meeting this gravest of human problems confronting the western world in its efforts to establish common security. This is the position of the agencies I have the honor to represent and has been clearly indicated by us to Assistant Secretary of State Hickerson and members of the Foreign Relations Committee.

Msgr. EDWARD E. SWANSTROM,
War Relief Services,
National Catholic Welfare Conference,

AUGUST 30, 1951.

Msgr. EDWARD E. SWANSTROM,
War Relief Services,
National Catholic Welfare Conference,
New York, N. Y.

Thank you for your interesting telegram. I am most concerned with provision of foreign-aid bill to which you refer. Have been in closest touch with our officials concerning the entire surplus population problem in Western Europe. I am anxious earliest possible steps be taken to solve this problem and agree that ECA should give this problem high priority. I will certainly give your views in regard to the administrative organization to be set up to work on this problem careful attention and consideration. I am glad to know of position taken by organizations for which you speak.

HERBERT H. LEHMAN,
United States Senator.

Mr. LEHMAN. Mr. President, I hope that the Senate, in approving this provision, will be understood as placing a high priority on this program for the solution of one of the gravest problems the free world faces—a problem whose solution can contribute immeasurably

to the strength of the free world, to the development of the underdeveloped areas, to the stockpiling of strategic materials by the labor of these individuals, and to the restoration of these individuals of the precious birthright of individual and family security.

Mr. CONNALLY. Mr. President, I very much hope that the Senate will not adopt this amendment. The subject will be in conference anyway. The House had a figure of \$30,000,000 in the bill. That can be considered in conference. We want to pass this bill tonight. I very much hope that the Senate will reject the amendment.

The PRESIDING OFFICER (Mr. HOLLAND). The question is on agreeing to the amendment offered by the Senator from New York [Mr. LEHMAN].

Mr. LEHMAN. Mr. President, have I any more time?

The PRESIDING OFFICER. The Senator from New York has 3 minutes remaining.

Mr. LEHMAN. With all respect, I ask the distinguished chairman of the committee to take the amendment providing this additional amount to conference if that is possible.

Mr. CONNALLY. The subject will be in conference anyway. The House has adopted a figure of \$30,000,000. The whole amount will be in conference.

Mr. LEHMAN. The Senate committee reduced the amount to \$10,000,000.

Mr. CONNALLY. It would still be in conference.

Mr. LEHMAN. Mr. President, as I explained in my earlier remarks, the purpose of my speech was largely to emphasize and highlight the importance of this undertaking, which I think is one of the most important projects before us.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. I yield to my colleague.

Mr. IVES. Does it not occur to my colleague that if the amendment which he is now offering is adopted, there will still be a matter of some \$15,000,000 to be determined in conference?

Mr. LEHMAN. That is correct.

Mr. IVES. Therefore, it is important that his amendment be adopted.

Mr. LEHMAN. That is quite correct. My amendment would raise the Senate figure from \$10,000,000 to \$15,000,000.

Mr. President, I think I have accomplished the major part of my purpose in highlighting this undertaking. I should like to have the Senate vote on my amendment.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. CONNALLY. Mr. President, I hope the Senate will reject this amendment. The committee considered this question very carefully, and gave it a great deal of deliberation; so I hope the Senate will reject the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from New York [Mr. LEHMAN]. (Putting the question.)

Mr. LEHMAN. Mr. President, I ask for a division.

On a division the amendment was rejected.

Mr. DOUGLAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	McMahon
Bennett	Hayden	Millikin
Benton	Hendrickson	Moody
Brewster	Hennings	Morse
Bricker	Hill	Mundt
Bridges	Hoey	Murray
Butler, Md.	Holland	Nixon
Butler, Nebr.	Humphrey	O'Mahoney
Byrd	Hunt	Pastore
Capehart	Ives	Robertson
Carlson	Johnson, Colo.	Russell
Case	Johnson, Tex.	Schoeppel
Chavez	Johnston, S. C.	Smathers
Clements	Kefauver	Smith, Maine
Connally	Kem	Stennis
Cordon	Kerr	Taft
Dirksen	Kilgore	Thye
Douglas	Langer	Underwood
Duff	Lehman	Watkins
Dworschak	Long	Welker
Eastland	Magnuson	Wherry
Ecton	Martin	Wiley
Ellender	Maybank	Williams
Frear	McCarthy	Young
George	McFarland	
Gillette	McKellar	

The PRESIDING OFFICER. A quorum is present.

Mr. SMATHERS. Mr. President, I call up my amendment.

Mr. CONNALLY. Mr. President, a point of order. What is the question before the Senate?

The PRESIDING OFFICER. The junior Senator from Florida has been recognized, and the present occupant of the chair understands that he is about to offer an amendment.

Mr. CONNALLY. The point I make is that it is not possible to have a roll-call vote on an amendment which has already been rejected.

The PRESIDING OFFICER. Does the Senator from Texas refer to the amendment which was offered by the junior Senator from New York [Mr. LEHMAN]?

Mr. CONNALLY. Yes.

The PRESIDING OFFICER. The result of the vote on the amendment offered by the junior Senator from New York [Mr. LEHMAN] has been announced. The amendment was rejected. No motion to reconsider the vote has come to the attention of the present occupant of the chair.

Mr. SMATHERS. Mr. President, I ask that my amendment be stated.

The CHIEF CLERK. On page 51, line 11, it is proposed to strike out "\$75,750,000" and insert "\$69,000,000."

On page 54, line 10, it is proposed to strike out "\$15,250,000" and insert "\$22,000,000."

Mr. SMATHERS. Mr. President, yesterday I submitted an amendment which called for an increase of \$6,750,000 for technical assistance to the countries of Latin America. Since then the distinguished Senator from Louisiana [Mr. ELLENDER] submitted a similar amendment, and the very able Senator from Ohio [Mr. TAFT] offered an amendment. After talking with them I have changed my amendment. As it now reads it would bring about a \$6,750,000 reduction in the amount of money which the bill provides for reconstruction and rehabili-

tation in Korea, and would apply the sum of \$6,750,000 to an increase in the amount for the technical assistance program for the countries of Latin America.

The reason why we have cut the amount for Korea is not that we do not want to reconstruct and rehabilitate Korea when that becomes practicable. After conferring with the distinguished Senator from Louisiana and other Senators, in view of the fact that the war situation in Korea at the present time is extremely uncertain and it appears that it would not be practicable to spend the entire sum of \$75,750,000 at this time, it seems to me that we should take the \$6,750,000 from the rehabilitation fund for Korea and apply it to the program of technical aid and assistance to the countries of Latin America. I may say that it represents a restoration of the House figure. The House originally had appropriated \$22,000,000 for technical aid and assistance to the countries of Latin America.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. ELLENDER. As I understand the amendment offered by the Senator from Florida, as modified, it is identical to the one I submitted yesterday.

Mr. SMATHERS. That is correct.

Mr. ELLENDER. The effect is to increase the authorization for technical assistance to South American countries to the amount that the House had approved, namely, \$22,000,000, by taking \$6,750,000 from the \$75,750,000 which is allotted to Korea for rehabilitation purposes.

Mr. SMATHERS. That is correct.

Mr. ELLENDER. This increase for technical assistance to our friends to the south of us would be accomplished without increasing the total amount provided for in the bill?

Mr. SMATHERS. That is exactly right.

Mr. ELLENDER. In that connection, is it not a fact that of the money appropriated last year for Korean rehabilitation and reconstruction there is still available and not expended \$50,000,000?

Mr. SMATHERS. The committee report so indicates.

Mr. ELLENDER. Mr. President, I hope that the amendment prevails. It is essential to our continued prosperity that our country utilize the almost limitless natural resources of the Americas to the south of us. These programs for the development in agriculture, sanitation, education, mining, and other related projects are bound to create more work for the peoples in South and Central America and thereby make of them better customers of ours.

May I further observe, Is it not true that the reason why the House appropriated only \$11,000,000-plus out of a budget estimated of \$112,000,000 as I recall, was because of the \$50,000,000 surplus left over from the last appropriation for the rehabilitation of Korea?

Mr. SMATHERS. That is my understanding. I thank the Senator from Louisiana.

Mr. President, the amount under discussion is a mere \$6,750,000. In ordinary

times that would seem to be a considerable sum of money; but in view of the fact that the pending bill calls for authorizations in the total amount of \$7,500,000,000, the requested authorization for \$6,750,000 seems rather small.

As a matter of fact, the total amount originally requested for the use of the countries of Latin America was less than three-quarters of 1 percent of the total amount carried in this bill. Yet, small though the original amount requested was, it still was subjected—and personally I believe it was erroneously subjected—to a 30-percent cut straight across the board.

Mr. President, it seems to me that if we make a 30-percent cut in this appropriation, we shall be in danger of destroying the programs which now are in effect in Latin America. We can cut 30 percent from the program for economic or technical aid to Europe, but that still will leave the sizable sum of \$1,130,000,000 to be distributed among 15 countries. We can make a 30-percent cut in the economic aid to the Middle East, and that still will leave \$122,000,000 to be divided among 12 countries in that area. If we make a 30-percent cut in the technical assistance program for the Far East, we still shall leave \$254,000,000 to be divided among 12 countries. However, Mr. President, a cut of 30 percent in the very small amount originally requested for the Latin-American countries would leave only \$15,000,000 to be divided among 21 countries.

The program of technical assistance for Latin America is not a new one. It has been in effect for approximately 10 years. By means of that program the natural resources—the minerals and other natural resources of Latin America—have been discovered and developed.

The program is also designed to improve the transportation systems of Latin America, to improve the education of the people of Latin America, and, above all, to improve the relationship between the countries of Latin America and those in the northern part of this hemisphere.

I think we should remember that the people of Latin America have long been our friends. They helped us in World War II. Every country in Latin America declared war against Hitler and stopped the trade it had had up to that time with the Fascist countries. It was the countries of Latin America who provided us with the bases which enabled us to supply the men and materials which were sent to Africa and finally were used in the attack on Europe. During that war, when the supplies of strategic and necessary materials from the Far East and later from Europe and Africa were cut off, we turned to the countries of South America and Central America to get the tin, copper, manganese, and other materials we needed in fighting the war.

As a matter of fact, in World War II we got all the oil which was used by the Atlantic Fleet from the country of Venezuela. Even though Venezuela is the second largest oil-producing country in the world, second only to the United States, in this bill we find that under the program, even if the cut is restored,

Venezuela will receive only a little less than \$1,000,000, whereas Iran, the fourth largest oil-producing country in the world, will receive \$24,000,000 of technical assistance. I would not favor reducing the \$24,000,000 for Iran, but it seems to me that we must be realistic in the matter of obtaining the very necessary and vital oil.

Aside from strategic materials which we need so urgently at this time, and which probably we shall need even more urgently in the future, we find that the South American republics sent to us approximately 35 percent of all our imports; and, in the reverse of that process, last year they bought from us approximately \$2,500,000,000 worth of our manufactured goods. Those articles were not paid for by Marshall plan funds or by means of grants-in-aid; on the contrary, the funds needed for that purpose were obtained from the Export-Import Bank or from private financial institutions or others. Those countries have not been the recipients of Marshall plan money or grant-in-aid money. This will be the first time they will have been the recipients of aid from the United States.

As a matter of fact, the money they have borrowed from the Export-Import Bank they have either paid back or are in the process of paying back and are meeting their payments in that connection. The Chairman of the Export-Import Bank said recently that the loans the Bank has had in South America, he considers as good and as sound as any other loans the Bank has in its entire portfolio; and last year the Export-Import Bank made approximately \$51,000,000 in that way.

So we can see that the countries of Latin America mean something to us aside from being an important source of strategic war materials which they have and which we need.

As I said, this program began approximately 10 years ago; so it is not a new one. Neither is it a one-way street. It is not a program by which we send to those countries a great deal of complicated machinery which they cannot use. This program has not worked in that way. It has been working by means of sending experts to Latin-American countries to help them discover mineral deposits and other of their resources which are beneficial both to them and to us.

As a matter of fact, at the committee hearings which were held recently, the Assistant Secretary of State, Edward Miller, said that two of the world's largest manganese deposits have been discovered in Brazil; and he further said it was his expectation that in 1956, 80 percent of all the manganese we use will come from Brazil.

Mr. President, for every dollar we provide for these purposes and these programs, the countries of Latin America match it with the equivalent of \$3.

These programs are helping the countries of Latin America, and at the same time they are helping us.

If we do not restore this cut—and to restore the cut will not increase the total amount of the authorization carried in this bill—the result will be that the pro-

grams which now are in effect will have to be curtailed.

Mr. President, I should like to conclude by saying that it seems to me that it is in our enlightened self-interest to continue to show an ever-growing interest in the people of Latin America, in the hope that they will continue to reciprocate and to show an equal amount of interest in and friendship to us.

If Europe is overrun—of course we hope that never will happen, but if it should happen—and if Russia moves into Europe with the strength that Russia is reported to have, thus cutting off that source of supplies which we now have, we shall have to do as we did in World War II, namely, look to the countries to the south of us, the countries in Latin America, as a source of those supplies.

It has been said over and over that one of the best ways by which we can remain strong at home is to cultivate the peoples close to us, those who have proved themselves to be our friends, and who have the vital resources which we need, and that at the same time we can be beneficial to them.

Therefore, Mr. President, I certainly hope the Senate will vote to restore this cut.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. TAFT. Mr. President, I myself have an amendment to increase the economic aid to South America, but I also propose that we eliminate the proposed military aid for South America. The elimination of all of the military aid would perhaps be too radical a step; yet for us to be giving \$38,000,000 of military aid to South America and only \$15,000,000 of economic aid to South America seems to be out of all proportion.

There may have been some justification for giving military aid; but for years the Army has been trying to give military aid to South America. During World War II we scattered airplanes all over South America, as a kind of lend-lease operation. Those airplanes were practically useless to the South American countries at that time.

I think some military aid to South America might be of some value; but it seems to me that if we were to make a general distribution of military aid to South America, once we began on such a program with the 20 republics of Central America and South America, if we gave some airplanes to one of those countries, we would have to give airplanes to all of them; and in the long run those countries would be more likely to use the airplanes against each other or in revolutions, rather than against Communist aggression in Europe.

Instead of obtaining the authorization for this item from the authorization for economic aid to Korea, I wish the Senator would obtain it from the authorization for military aid to South America. Even if we are going to militarize much of the world, it seems to me that South America is a part of the world which might just as well not be militarized, although, as I say, perhaps there are definite projects there which might be use-

ful in the event of a war with communism. However, it seems to be exceedingly remote that South America would be involved in military action within a year after such a war began.

I am offering an amendment to reduce the authorization for military aid to South America. It certainly seems to me to be better to increase the authorization for economic aid to South America by reducing the authorization for military aid, rather than by reducing the authorization for economic aid to Korea. After all, the latter is a theoretical figure. We do know whether we can spend anything in Korea. Still, it seems to me it would be better to cut the military aid to South America than to cut the Korean economic aid.

Mr. SMATHERS. I thank the Senator from Ohio.

Mr. President, I yield back the remainder of my time.

Mr. CONNALLY. Mr. President, this particular matter was very carefully considered by the committee. The executive recommendations cover \$22,000,000 for the American Republics, and the committee cut it to \$15,250,000. The amendment offered by the distinguished Senator from Florida is simply to reinstate the original amount. I very much hope that the Senate will reject the amendment.

Mr. HOLLAND. Mr. President, may I have a few minutes?

The VICE PRESIDENT. The junior Senator from Florida has 2 minutes.

Mr. SMATHERS. I yield that time to my distinguished colleague.

Mr. HOLLAND. Mr. President, I hope that my distinguished friend from Texas will not insist upon opposing this amendment. It seems to me, in the first place, that there is value in the fact that the Bureau of the Budget has approved \$22,000,000. There is value in the fact that the House of Representatives has approved that amount. There is value in the fact that the \$22,000,000, which is proposed to go to the total number of 21 Latin-American countries, is a great deal smaller in amount than many an authorization in the rest of the program for grants to various single small nations which do not equal in importance any of the larger nations of Latin America.

But, Mr. President, I wish to mention two facts which I think go far to justify the restoration of this appropriation. The first has to do with the great need, so far as our own country is concerned, for the existence of greater knowledge in the field of agricultural skill and technique, particularly in Mexico, but also in other portions of South America. It is there that the menace exists for the introduction of plant diseases and animal diseases and pests which most frequently attack us. We have seen that illustrated only recently in the foot-and-mouth-disease campaign. We have seen it only recently in the case of tristeza, which so vitally affects citrus fruit. We see it in the black-fly problem. I could continue to enumerate other problems in connection with which we shall serve ourselves well if we help this year, as the program intends we shall help, by increasing the dissemination of agricultural skill and

agricultural technique, and particularly by extending the Agricultural Extension Service, or, as we know it, the county-agent system, among many of these nations. I think that this factor alone would not only justify the investment but it would make it a wonderful investment in value to us and to our vital agricultural industries.

I close by mentioning the field of health. In that field we have found out to our sorrow, in recent years, that our principal menace with reference to some of the most dreaded diseases is the fact that there do not exist the technical knowledge and skill and trained personnel and modern scientific methods of handling among our Latin-American populations which exist in this Nation.

I think that in those two fields alone, the field of technical skill in agriculture, and in the field of health, there is sufficient value coming to this Nation, itself, to make the expenditure of this \$22,000,000 a very fine investment when we figure that it will bring to us ourselves, entirely aside from the question of good will, and aside from the material gains in the production of more and more raw materials, of more and more wealth, which we need to have moving in exchange with us, in the commerce which is growing to greater and greater proportions between our Latin-American friends and ourselves.

The VICE PRESIDENT. The time of the senior Senator from Florida has expired.

Mr. HOLLAND. I hope that my friend from Texas will withdraw his opposition and that the amendment of my colleague will be adopted.

Mr. SMATHERS. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. CONNALLY. Mr. President, I desire to speak for but 2 or 3 minutes. I greatly enjoyed the remarks of the distinguished Senators from Florida. However, they seemed to forget that we are in the bill providing for the expenditure of \$15,000,000 of the money of the taxpayers of the United States to do the things they want done. If we are to raise the amount recommended by the committee every time we get a chance, where are we going to stop? Where is the money coming from?

The distinguished Senator from Florida [Mr. HOLLAND] who just concluded his remarks referred to public health. Of course it is desirable to contribute to public health activities. Yes, it is desirable to have many things—many things which we in the United States do not have. There are plenty of people in the United States today who need medical assistance. We are not giving it to them, and yet after we allow \$15,000,000 in this bill for technical assistance of all kinds, Senators want to increase the amount. Next year they will want to raise it again; and again and again, as long as they can stand on the Senate floor and argue in favor of it.

This matter was very carefully considered by the committee. If we included everything that anybody wanted, I do not know where we would stop, and I do not know where we would get the

money. We have labored tirelessly on this bill, investigating every proposal and every modification. After all this toil, I hope that the Senate will reject this amendment, and let us get along with the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Florida [Mr. SMATHERS].

Mr. SMATHERS. I ask for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment. [Putting the question.] The yeas appear to have it.

Mr. HOLLAND. I ask for a division.

On a division, the amendment was rejected.

Mr. KEFAUVER. Mr. President, I desire to call up the so-called Smith amendments, "8-30-51-H."

The VICE PRESIDENT. Does the Senator want the amendments read, or does he prefer to have them printed in the RECORD?

Mr. KEFAUVER. I ask that the amendments be printed in the RECORD.

The VICE PRESIDENT. Without objection, the amendments will be printed in the RECORD, but not read.

The amendments are as follows:

On page 46, beginning on line 10, strike out subsection (b) and insert in lieu thereof the following:

"(b) Not to exceed 10 percent of the total of the appropriations granted pursuant to this section may be transferred between appropriations granted pursuant to either paragraph of subsection (a) whenever the Administrator determines that the funds so transferred will, by virtue of such transfer, be more effective in fulfilling the needs determined and certified by the Secretary of Defense pursuant to section 503 (a) of this act: *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the Administrator makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives."

On page 54, beginning on line 15, strike out from line 15 through line 11 on page 55 and insert in lieu thereof the following new matter:

"MUTUAL SECURITY ADMINISTRATION

"Sec. 501. (a) There is hereby established, with its principal office at the seat of the Government, an agency to be known as the Mutual Security Administration, hereinafter referred to as the Administration. The Administration shall be headed by a Mutual Security Administrator, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be responsible to the President. The Administrator shall have a status in the executive branch of the Government comparable to that of the head of the executive department, and shall receive compensation at the same rate.

"(b) There shall be in the Administration a Deputy Mutual Security Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the same rate as that payable to an Under Secretary

of an executive department. The Deputy Mutual Security Administrator shall perform such functions as the Administrator shall designate and shall be Acting Mutual Security Administrator during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

"Sec. 502. (a) Except as otherwise provided in this act, there shall be transferred to the Administrator the powers and functions conferred upon—

"(1) the Administrator of Economic Cooperation by the Economic Cooperation Act of 1948, as amended, and other public laws, except that the powers and functions conferred on him by the Far Eastern Economic Assistance Act of 1950 and by sections 115 (1) and 117 (a) of the Economic Cooperation Act of 1948, as amended, shall be vested in the President;

"(2) the President by the Mutual Defense Assistance Act of 1949, as amended, and the act of May 22, 1947, as amended, except the power to conclude international agreements, the power to make appointments by and with the advice and consent of the Senate, and the powers enumerated in section 408 (c) of the Mutual Defense Assistance Act of 1949, as amended; and, in the case of aid to countries covered by titles II, III, and IV of this act, such powers and functions as the President shall direct to be exercised by the Secretary of Defense.

"(b) The following agencies and offices shall cease to exist:

"(1) The Economic Cooperation Administration and the offices of Administrator and Deputy Administrator for Economic Cooperation;

"(2) The office of United States Special Representative in Europe and of Deputy United States Special Representative in Europe created by the Economic Cooperation Act of 1948, as amended;

"(c) Any personnel, upon the certification of the Administrator that such personnel are necessary to carry out the functions of the Administrator, and all records and property which the Director of the Bureau of the Budget determines are used primarily in the administration of the powers and functions transferred to the Administrator by this act, shall be transferred to the Mutual Security Administration: *Provided*, That personnel transferred pursuant to this subsection shall continue to enjoy the same civil-service status as they had prior to transfer.

"Sec. 503. (a) In the case of aid to countries eligible for assistance under title I of this act, including Greece and Turkey, the Secretary of Defense shall determine, and certify to the Administrator from time to time, the needs of such countries for military end items and military facilities to carry out programs of individual and collective self-defense approved by the United States Government. The Administrator shall be responsible for making continuing studies of the capacity of such countries to produce military end items for themselves and for each other, and shall take all necessary and reasonable action (including necessary assistance pursuant to section 101 (a) (2) of this act) to assure the maximum production of such items by such countries, consistent with the security interests of the United States as determined by the Secretary of Defense. Any such items which the Administrator concludes cannot be produced by such countries, or which the Secretary of Defense determines should, in the interest of national security, be produced in the United States, shall be procured by the Secretary of Defense; and the Secretary of Defense shall be responsible for the delivery of such items and for assuring their ultimate use in accordance with military programs approved by the United States Government. For the purposes of this act the term military end items means such goods and services and related technical

assistance, advice, and training as the Secretary of Defense determines are required for direct military use by the Armed Forces receiving such materials.

"(b) In accordance with the provisions of the above subsection, the Secretary of Defense shall have primary responsibility and authority for—

"(1) the determination of military end-item requirements;

"(2) the procurement of military end items;

"(3) the establishment of priorities in procurement and deliveries and the allocation of military end items between services and countries;

"(4) the supervision of end-item use by the recipient countries;

"(5) the supervision of the training of foreign military personnel; and

"(6) the movement and delivery of military items.

"COORDINATION OF ACTIVITIES

"Sec. 504. In order to strengthen and make more effective the conduct of the foreign relations of the United States, and to carry out the purpose of this act—

"(1) the Secretary of State, the Administrator, and the Secretary of Defense shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

"(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision;

"(3) whenever the Secretary of Defense believes that any action, proposed action, or failure on the part of the Administrator is inconsistent with the military security objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision; and

"(4) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State or the Secretary of Defense in performing functions under this act, is inconsistent with the purpose and provisions of this act, he shall consult with the Secretary of State and the Secretary of Defense as appropriate and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"MEMBERSHIP IN OTHER AGENCIES

"Sec. 505. (a) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (50 Stat. 512), is amended by striking out 'Economic Cooperation Administration' and inserting in lieu thereof 'Mutual Security Administration' and by striking out 'Administrator for Economic Cooperation' and inserting in lieu thereof 'Mutual Security Administrator.'

"(b) Clause (6) of the fourth paragraph of section 101 (a) of Public Law 253, Eightieth Congress, as amended, is hereby further amended by inserting after 'Munitions Board,' the following: 'the Mutual Security Administrator so long as the Mutual Security Administration shall continue to exist.'

"(c) For so long as the Mutual Security Administration shall continue to exist the Administrator shall be a member, ex officio, of the Board of Directors of the Export-Import Bank of Washington, established by the Export-Import Bank Act of 1945 (12 U. S. C. 635).

"REGIONAL MUTUAL SECURITY REPRESENTATIVES"

"SEC. 506. (a) There shall be a United States Mutual Security Representative in Europe who shall (1) be appointed by the President, by and with the advice and consent of the Senate; (2) be entitled to receive the same compensation and allowances as a chief of mission, class I, within the meaning of the act of August 13, 1946 (22 U. S. C. 801-1158); and (3) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator and receive his instructions from him, and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to among the Administrator, the Secretary of State, and the Secretary of Defense in order to assure appropriate coordination as provided by section 503 of this title. He shall coordinate the activities of the chiefs of such special missions provided for in section 507 of this title as may be placed under his jurisdiction by the Administrator. He shall keep the Administrator, the Secretary of State, the Secretary of Defense, the chiefs of the United States diplomatic missions, and the chiefs of the special missions provided for herein fully and currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this title.

"(b) There shall be a Deputy United States Mutual Security Representative in Europe who shall (1) be appointed by the President, by and with the advice and consent of the Senate; (2) be entitled to receive the same compensation and allowances as a chief of mission, class 3, within the meaning of the act of August 13, 1946; and (3) have the rank of ambassador extraordinary and plenipotentiary. The Deputy shall perform such functions as the United States Mutual Security Representative in Europe shall designate, and shall be Acting United States Mutual Security Representative in Europe during the absence or disability, or in the event of a vacancy in the office, of the Representative.

"(c) The Deputy United States Representative North Atlantic Council and the United States Mutual Security Representative in Europe shall keep each other fully and currently informed concerning their activities.

"(d) When necessary to carry out the purpose of this act the President is authorized to appoint not more than three additional Mutual Security Representatives and three Deputy Mutual Security Representatives for other regions in accordance with the applicable provisions of subsection (a) of this section. Any Mutual Security Representative appointed pursuant to this section shall be entitled to receive the same rank, compensation, and allowances as the highest ranking chief of any United States diplomatic mission in the region.

"SPECIAL MUTUAL SECURITY MISSIONS ABROAD"

"SEC. 507. (a) Except as provided in subsection (e) of this section, the Administrator may establish in each country receiving assistance under this act a special mutual security mission under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this act. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country; and the chief of the special mission shall be entitled to receive the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the act of August 13, 1946, or compensation and allowances in accordance with section 501 (d) of this act, as the Ad-

ministrator shall determine to be necessary or appropriate.

"(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country, and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission and the United States Mutual Security Representative. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision.

"(c) With the approval of the Secretary of State the Administrator may, if he deems it appropriate, direct that the functions of the chief or deputy chief of the special mission in any country be assumed by the chief of the United States diplomatic mission in that country. In such cases the chief of the diplomatic mission shall report to the Administrator, and shall receive directions from him, with respect to carrying out functions relating to the purpose of this act.

"(d) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Mutual Security Representatives and their staffs, and for each special mission, as may be agreed between the Secretary of State and the Administrator.

"(e) With respect to any of the zones of occupation of Germany and Austria and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purpose of this act."

On page 55, line 13, renumber section 503 as section 503.

On page 56, strike out all after line 21 through line 16 on page 57.

On page 57, line 18, renumber section 505 as section 509.

On page 57, lines 21 and 22, strike out "by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604)" and insert in lieu thereof "on the Administrator by this Act".

On page 58 strike out all after the word "authority" on line 12 through "amended", on line 13, and insert in lieu thereof the words "of the Administrator under this Act".

On page 58, strike out all after line 18 through page 59, line 11, and in lieu thereof insert the following:

"(c) Section 122 of the Economic Cooperation Act of 1948, as amended, and subsection (d) of section 405 of the Mutual Defense Assistance Act of 1949, as amended, are hereby repealed."

On page 59, line 13, renumber section 506 as section 510.

On page 60, line 11, strike out section 507 and insert in lieu thereof the following:

"SEC. 511. All provisions of this act except sections 502 and 508 shall take effect upon the date of its enactment. Section 508 shall take effect 90 days thereafter, and section 502 shall take effect on such date, not more than 60 days after the date the Administrator first appointed takes office, as the President shall prescribe."

Beginning on page 60, line 14, renumber all the remaining sections to conform with the foregoing amendments.

On page 63, line 18, and on page 64, line 3, strike out "President" and insert in lieu thereof "Administrator."

The VICE PRESIDENT. The Senator from Tennessee is recognized for 30 minutes.

Mr. KEFAUVER. Mr. President, in the absence of the Senator from New Jersey [Mr. SMITH], who is attending the signing of the Japanese Peace Treaty at San Francisco, on his behalf; on behalf of the Senator from Illinois [Mr. DOUGLAS], and on behalf of the Senator from Ohio [Mr. TAFT], and myself, I call up these amendments to the committee amendment to the bill.

I yield myself 5 minutes.

The VICE PRESIDENT. The Senator from Tennessee is recognized for 5 minutes.

Mr. KEFAUVER. Mr. President, the issue raised by the amendments is one of the most important ones to be presented in the consideration of the bill now pending before the Senate. It is, how shall the aid program be administered?

The present method of having a part of the program administered by ECA, a part of it by the Defense Establishment, and a part of it by the State Department, with a coordinating agency, the International Security Affairs Committee, usually referred to as ISAC, has not proved satisfactory, and everyone concedes that some change in the method of administration should be made. It has led to much confusion and delay by reason of the committees which have been operating under ISAC, and a great deal of study has been given the problem, both in Congress and by distinguished citizens interested in the proper administration of the program outside of Congress.

A committee of outstanding citizens who know a great deal about the problem and have had considerable administrative experience, headed by Dr. James B. Conant, with T. S. Voorhees as vice chairman, is called the Committee on the Present Danger. It has about 50 very distinguished members, including Julius Ochs Adler, Barry Bingham, Vannevar Bush, Will L. Clayton, William J. Donovan, Leonard K. Firestone, Paul G. Hoffman, J. Robert Oppenheimer, Robert P. Patterson, Robert E. Sherwood, and W. W. Waymack. Their recommendations are contained in a thoughtful pamphlet containing one or two conclusions which I should like to read:

Military and economic aid are under present conditions essentially the same. They are now parts of one program to make our allies in all parts of the world strong enough to stand together and prevent the spread of aggression. Both forms of aid should be administered by the same agency, which should not be any present agency. The two kinds of assistance are inseparable. Both are economically inseparable, but both are primarily for a military purpose. A single agency could better answer the many questions which have to be answered as to the extent of the need in each country, whether that need can be filled better by military items or by civilian items.

Other strong arguments are advanced in favor of the pending amendment. Mr. President, the proposal is for a single agency to administer the over-all program, to be called the Mutual Defense Administration, with a delegation to the Defense Department of those things which pertain to defense. There will be found on page 6 of the amendments the items which the Defense Department says it wants to have jurisdiction over in order to operate its part of the program.

Point 4 will be administered by the State Department. The powers and the duties of administering ECA will be transferred to this department. A system is worked out for the settlement of any jurisdictional disputes between State Department Mutual Aid Administration and the Defense Department. If they are not settled under that system, they will be settled by the President if they cannot otherwise be settled. This fixes the responsibility, so that Congress, the President, and the public, who want the program operated efficiently and for the purpose set forth, can look to one man and hold him responsible.

The present Senate bill is substantially the same as the old provision, except that the coordinating agency, ISAC, instead of being in the State Department, is transferred to the administrative office of the President. Undoubtedly there will still be bickering and an attempt to place the responsibility, and there may still be the same difficulty we have had under ISAC.

The House of Representatives, after a very thoughtful study of the matter, adopted this plan substantially, only it placed the point 4 program under the Mutual Security Administrator. Under the amendment point 4 remains in the State Department. Those things which are necessary for the Defense Department to operate are given to the Defense Department.

The over-all responsibility for decision as to how much a nation can do to help itself militarily by economic assistance, how much its productive capacity can fill military needs, will be determined by the Mutual Defense Administrator. The question for the military to decide is whether they want to fill the rest of the needs. But the Mutual Defense Administrator will make a survey of how much a nation can do, and perhaps by giving some economic assistance it will be able to produce more military goods itself and can better fill the needs.

Another point which I think should be expressed is that under the Senate bill, ECA will expire on June 30, 1952. Thereafter, until the expiration date of the program, which is June 30, 1954, it is contemplated that the President will send to the Congress for its approval some kind of administrative proposal to carry on the ECA program. That will result in uncertainty in ECA. Most of their more valuable employees will be leaving because they will not know what will happen after June 30, 1952, whereas the amendment provides for an administrator with a definite, fixed responsibility to carry on until the aid program terminates under the terms of the bill.

I hope the Chair will advise me when my 5 minutes' time has expired. I want to yield some time.

The VICE PRESIDENT. The Senator's time has expired.

Mr. KEFAUVER. Mr. President, I yield 5 minutes to the Senator from Ohio [Mr. TAFT].

The VICE PRESIDENT. The Senator from Ohio is recognized for 5 minutes.

Mr. TAFT. Mr. President, the proposal was fully explained yesterday by the Senator from New Jersey [Mr. SMITH]. He was exceedingly regretful that he was compelled to go to San Francisco and could not himself present the amendment.

I feel very strongly that there should be a single administrator. It seems to me that the entire question of economic and military aid to Europe, particularly, is one question. It cannot be separated. The person who administers it must be guided by the military, and on economic questions he must be guided by other departments of the Government. But the two should not be separated.

Furthermore, ECA has today grown in personnel and in extent of operation far beyond what was originally contemplated. In my opinion, it is greatly overstaffed in nearly every country in which it operates. It is concerned with extending economic aid forever. It does not subordinate its purposes to the general military program, which is the only justification for such a tremendous aid program as the one we are carrying on.

Only last week I saw a proposal that they were going to open up a new kind of RFC in Europe; they were going to make loans directly to European concerns on conditions that they pay higher wages and on condition that they take less profit. In other words, they are proposing to impose economic conditions in many countries. It seems to me it is time that it be brought to an end as it was intended to be brought to an end. Mr. Hoffman thought it should be brought to an end after 4 years.

The only justification for continuing economic aid in most parts of the world, and in Europe particularly, which would receive the great bulk of the money under the bill, is the incidental effect it will have on the military program which we inaugurated to stop the spread of communism. Europe has reached a productive point some 44 percent above prewar. Justification for economic aid has practically come to an end, except the tapering off of the program we have conducted, and which has been well and effectively conducted.

I, therefore, feel that we should undertake to put this program under one administrator. We have only one main purpose, and that is to stop the spread of communism. The man who assumes the task ought to be independent. The late Senator from Michigan, Mr. Vandenberg, when he created the ECA, was determined that it should be separate from the other departments of the Government and that there should be an independent administrator responsible primarily to the President. Senator Vandenberg insisted upon putting that

provision through, over the objection of the State Department and over the objection of the Government in many fields. The President agreed finally because of the insistence on the part of Senator Vandenberg. The Senator succeeded in having it established as an independent organization, with a man at the head who did not answer to any department, but who was concerned with the success of this particular program under the President.

The amendment proposes, now that we have an entirely different kind of program, with many different facets, that we put this program also under a single administrator. I, therefore, hope very much that the amendment will be adopted.

Mr. CASE. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield.

Mr. CASE. What the Senator from Ohio has just said appeals to me very much. I wish to ask him, however, why he proposes to increase the transfer fund from 5 percent to 10 percent?

The VICE PRESIDENT. The time of the Senator from Ohio has expired.

Mr. KEFAUVER. I yield additional time to the Senator from Ohio.

Mr. TAFT. I was told by the Senator from New Jersey [Mr. SMITH] and I believe it is true, that the difference between economic and military aid has disappeared for all practical purposes. The President or the administrator may determine that, instead of giving all military aid, we ought to give some materials, and let the European countries make their own guns and tanks to a greater degree than otherwise. The same thing can be done in reverse. What was contemplated as an economic aid program we may not be able to carry out, and we may have to come back to military aid. That is my understanding of the reason for the proposal.

Mr. CASE. The Senator from Ohio accepted the amendment offered by the Senator from Iowa [Mr. GILLETTE] to strike out the 10-percent general transferability clause, because, with a provision for 10-percent transfer, it would be possible to increase some of the items many times the size they now are. For example, the largest item in the bill is \$5,000,000,000. Ten percent of \$5,000,000,000 is \$500,000,000, and the provision of the bill would make it possible to transfer that amount to a smaller fund.

Mr. TAFT. Personally it makes no difference to me except that the program is very elastic. We cannot find any support for any particular amount that should be given to any particular country. What we are doing is a world job. I have no objection to a provision for transfer between economic and military items. The Senator from South Dakota thinks the provision should call for 5 percent transferability, but the Senator from New Jersey [Mr. SMITH] thought it ought to be 10 percent, and the reasons he gave me for thinking it should be 10 percent were persuasive.

Mr. CASE. Without relation to the amount that might be allocated to any particular country?

Mr. TAFT. Yes.

Mr. KEFAUVER. Mr. President, by agreement with the sponsors of the bill we have agreed to submit an amendment to the Smith amendment, on page 1, line 7, to strike out "Administrator" and insert "President", and on page 2, line 7, to strike out "Administrator" and insert "President".

Mr. President, how much time is there left on the part of the proponents?

Mr. TAFT. I wonder if it would not be possible to have a separation of the amendment, so as to have the language down to the middle of page separated from the remainder of the amendment in order that the two questions can be passed on separately? Is the amendment separable?

Mr. KEFAUVER. I do not believe it is, Mr. President. Of course, if the Senator from South Dakota were to offer an amendment that would bring up the issue.

Mr. CASE. Would not the Senator agree to make the figure 5 percent as it appears in the committee bill?

The VICE PRESIDENT. The Senator from Tennessee has 3 minutes remaining.

Mr. KEFAUVER. Mr. President, I yield the remainder of the time to the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. The bill as presently before the Senate provides for 5 percent transferability. The amendment provides for 10 percent in order to have greater flexibility in the administration of the program.

Mr. KEFAUVER. One thing I wish to emphasize is that the amendment does not create any new agency, because under its terms the ECA dies when the Mutual Security Administration takes over. It does give us a definite agency with responsibilities so that the personnel can know what the situation is going to be from the time the provision goes into effect until the act expires. The Senate bill keeps the ECA in operation for about 10 months, and then it is intended that there be some indefinite sort of reorganization submitted at that time which the Congress may or may not approve. This amendment does not create a new agency. It will save money because of the economic ability of the nations to do something militarily for themselves. That will be gone into thoroughly, and the military allocations will be made only after that is done. It avoids confusion, and will do away with the present difficulty we have in relation to ISAC. The Senate bill only changes the places where ISAC operates.

This amendment is substantially the same as the House provision, and is submitted after a great deal of study by the Senator from New Jersey [Mr. SMITH] and the Senator from Iowa [Mr. HICKENLOOPER], and by eminent groups of citizens who have studied this problem and have arrived at the unanimous conclusion that the program would be administered better and that we would get better results for the money spent, if we had one person or one administration to look to for responsibility.

The VICE PRESIDENT. The time of the Senator from Tennessee has expired.

Mr. RUSSELL. Mr. President—

The VICE PRESIDENT. Time is under the control of the Senator from Texas [Mr. CONNALLY].

Mr. CONNALLY. Mr. President, I yield to the Senator from Georgia 5 minutes.

The VICE PRESIDENT. The Senator from Georgia is recognized for 5 minutes.

Mr. RUSSELL. Mr. President, no provision in the bill was more diligently studied or more vigorously debated in the two committees which reported the bill to the Senate than the one which is now before the Senate. After most careful consideration, and a vigorous presentation by the distinguished Senator from New Jersey [Mr. SMITH], the committee, by a vote of 19 to 1 rejected the amendment.

Mr. President, there are many issues involved in the amendment. In the first place, if the amendment is adopted, the effect of it will be to continue ECA for two more years under the so-called Mutual Security Administrator. The majority of the Senate committee wished to liquidate ECA in 1952, as we said we would do when the program originated. Under the provision of the committee bill, which the amendment would strike out, ECA will be liquidated in 1952, except for those functions which are essential to the military program.

Mr. President, in my opinion it would be as dangerous a thing as the Congress could do to adopt this entirely new administrative process in connection with foreign aid. We hope that ECA is on the way to liquidation. We know that the military assistance will be extended for some time to come. But, Mr. President, it is better to carry on the military program under the personal supervision of General Eisenhower and the Department of Defense, than to establish a civilian administration that will have a vested interest in its continuation indefinitely to carry on both ECA and military aid.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. RUSSELL. I can yield but briefly because I have only 5 minutes allotted to me.

Mr. KEFAUVER. I wish to ask the Senator if it is not provided on pages 58 and 59 of the Senate bill that after ECA expires it is contemplated that then another agency will be set up?

Mr. RUSSELL. No.

Mr. KEFAUVER. So under the bill another agency would be set up after the expiration of ECA?

Mr. RUSSELL. No, it is contemplated that those functions which are necessary to the defense program shall be assigned to some existing agency of government, and I submit that that is highly preferable to establishing an entirely new agency that will have a vested interest in coming before Congress and keeping itself in existence. I know about the cut-off clause which is in the amendment and which is supposed to bring about liquidation in 1954, but I have seen heretofore what has happened in the case of agencies that were supposed to have a cut-off clause.

The distinguished Senator from Ohio argues that he wants to liquidate ECA, whereas the Senator from Tennessee,

who is supporting the same amendment, stated that he was afraid that the more valuable employees in ECA would leave unless we adopted this amendment, on the theory that it was going to be continued for another 2 years. There is undoubtedly a conflict of purpose between two of the principal sponsors of the amendment.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. RUSSELL. I can yield only briefly.

Mr. TAFT. It seems to me that we want to keep in ECA the best employees, and that we should get rid of all the rest. That was my idea. The idea proposed by the Senator would get rid of the good ones and keep the others.

Mr. RUSSELL. We propose to get rid of ECA. That is what I propose. I do not want to continue it for two additional years, as would be done under the terms of the amendment which the Senator from Ohio is sponsoring.

Mr. TAFT. Mr. President, will the Senator yield for one further question?

Mr. RUSSELL. I yield briefly for one further question.

Mr. TAFT. The present bill provides that the President shall submit a reorganization plan next March.

Mr. RUSSELL. Yes.

Mr. TAFT. As I understand, the Senator from Georgia has always disapproved of that process of submitting reorganization plans, which does not give the Congress any real opportunity to change them, or to make any change in the program which the President submits.

Mr. RUSSELL. A reorganization plan gives the Congress more power in 1 minute than the proposal of the Senator from Ohio would give it in a year. Either House of Congress can defeat a reorganization plan. In that event ECA would be dead in 1952.

With reference to the question of power, power lies in the Senate committee provision, which leaves the authority in the hands of Congress, and requires the President to submit a reorganization plan. If the Congress disapproves of it, all of ECA will be dead in 1952.

Mr. President, in my judgment there are some features of this provision which are absurd. The idea of giving the civilian administrator absolute control over the military program, which is now a large part of the aid program, is to my mind perfectly ridiculous.

The VICE PRESIDENT. The time of the Senator from Georgia has expired.

Mr. RUSSELL. May I have one more minute?

Mr. CONNALLY. I yield one more minute to the Senator from Georgia.

Mr. RUSSELL. It is proposed to set up a civilian administrator, who is to tell General Eisenhower how to distribute arms in Europe, as between the various countries. There is not even any provision in the Mutual Security Administration section which gives General Eisenhower a pipeline to deal with the Mutual Security Administrator. When we change the whole application of the program from economic aid to military aid, it is then proposed to take away from the military authorities, who are

charged with responsibility in Europe, the power and the right to say how much military aid shall go to this country or to that country. It is proposed to vest the power in a civilian administrator, who, we are practically told, will be fortified by the present administrators of ECA. I cannot conceive of anything that would be more unfortunate than to adopt this amendment. It should be rejected. The responsibility for the defense of the United States is vested in the Department of Defense. General Eisenhower is our representative in Europe. Yet it is sought to set up a civilian administrator to tell him how to plan our defense.

Mr. BRIDGES. Mr. President, will the Senator from Texas yield 3 minutes to me?

Mr. CONNALLY. I yield 3 minutes to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, the theory of this amendment had the consideration of the two committees jointly. It was defeated in the joint committee, after due consideration, 19 to 1.

The distinguished Senator from Georgia has covered many phases of this question. There can be a very honest difference of opinion on the approach. I believe that the amendment would create a new agency. It would put the military phases under a civilian head, which is one of the things to which I object at this time. I think that we would stand a better chance of getting a good job done if the Defense Department were to administer the military phases, rather than having them administered by a newly created agency under a civilian head appointed by the President.

When the bill was originally sent here, it was suggested that the State Department be a sort of coordinating influence. The bill as reported puts the ECA activities under ECA. It provides for its expiration in 1952. The provision mentioned by the Senator from Ohio [Mr. TAFT] requires the President to submit a reorganization plan at that time. It leaves the military under the Defense Department. Of course, it leaves technical aid under the State Department, which even the new amendment does not propose to change.

All in all, I think we would be much better off and the program would go forward better if the activities were divided as suggested by the committee. For that reason I oppose the amendment.

Mr. TAFT. Mr. President—

The VICE PRESIDENT. Does either Senator in control of the time yield to the Senator from Ohio?

Mr. TAFT. I wish to make a motion.

Mr. CONNALLY. Under the unanimous-consent agreement, the time is allotted.

The VICE PRESIDENT. The Chair does not know what the motion is, but doubts whether it would be in order at this time.

Mr. CONNALLY. It would not be in order at this time.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KEFAUVER. Would it be in order to offer an amendment?

The VICE PRESIDENT. It would be in order to offer an amendment to the pending amendment. The Senator may modify his own amendment, or some other Senator may offer an amendment to it.

Mr. KEFAUVER. I understood that the Senator from Ohio had an amendment which he intended to offer.

Mr. TAFT. The time has not yet expired on this amendment.

Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. What I wish to do is to move to strike out lines 1 to 8 on page 1, and lines 1 to 11 on page 2 of the pending amendment.

The VICE PRESIDENT. Is that an amendment to the pending amendment or an amendment to the bill?

Mr. TAFT. It is an amendment to the pending amendment.

The VICE PRESIDENT. Then it will be in order when the time has expired on the amendment itself.

Mr. CONNALLY. Mr. President, I yield 4 minutes to the Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I shall not take all of the 4 minutes. I spoke at great length in opposition to this amendment last night. The main thing I wish to say today is an enthusiastic "amen" to the analysis just presented by the Senator from Georgia [Mr. RUSSELL] and the Senator from New Hampshire [Mr. BRIDGES]. I think they have gone to the heart of the weaknesses of the amendment proposed by the Senator from New Jersey [Mr. SMITH] and his cosponsors.

As I pointed out last night, I think this amendment would create great jurisdictional strife within the administration of economic and military aid. I believe it would prove to be inefficient and wasteful and that it would interfere with the separation-of-powers doctrine in respect to the power of the President of the United States over the foreign affairs of this country.

Mr. President, I wish to devote the remainder of my time to inserting certain matters in the RECORD which I wish to offer to buttress the arguments which I made last night and to reinforce certain replies which I made to my good friend from Illinois [Mr. DOUGLAS].

I have had prepared a memorandum entitled "Effect of Smith Amendment of August 30, 1951 on H. R. 5113 as Reported by Senate Foreign Relations and Armed Services Committees." I ask unanimous consent to have the memorandum printed in the RECORD at this point as a part of my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

EFFECT OF SMITH AMENDMENT OF AUGUST 30, 1951, ON H. R. 5113 AS REPORTED BY SENATE FOREIGN RELATIONS AND ARMED SERVICES COMMITTEES

1. COORDINATION OF PROGRAM

Section 501, page 54, of bill reported to Senate: H. R. 5113 puts coordination of the

whole program—military aid and supporting economic aid and point 4—in the Executive Office of the President. (This should be in President himself.)

Section 501 and section 502 of Smith amendment: The Smith amendment, in effect, puts coordination in one man, the Mutual Security Administrator, except for point 4 which would remain under the present arrangements. (By reason of transfer of ECA functions and also Presidential functions under MDAP.)

2. AGENCY RELATIONS

Section 501: H. R. 5113 provides for positive coordination of State, Defense, and ECA, by the President using executive office.

Section 504: The Smith amendment (section 504) substitutes provision for mutual consultation between State, Defense, and the new Mutual Security Administration and for mutual remonstrance and referral of differences to the President—a more negative emphasis. What we need is positive leadership to make NATO and other security programs really effective. The President and Secretary of State are the only proper officers of the Government that can furnish this drive and leadership.

3. SECRETARY OF DEFENSE

Section 504, page 56: H. R. 5113 clearly spells out the authority and responsibility of the Secretary of Defense for military aid.

Section 503, page 11032, of Senate Journal: The Smith amendment repeats the same language but makes the Secretary of Defense submit his requirements to the new Mutual Security Administrator. (Sec. 503, p. 11032 of Senate Journal.)

4. ECONOMIC ASSISTANCE

Section 505: H. R. 5113 continues ECA in existence until June 30, 1952, but provides that the President submit by next March a reorganization plan transferring the ECA functions. (The President could by reorganization plan set up a new economic agency.)

Section 501 and section 502: The Smith amendment abolishes ECA immediately and sets up a new Mutual Security Administration to take over its functions as well as most of the powers of the President under the Mutual Defense Assistance Act.

5. COORDINATION AT THE COUNTRY LEVEL

Section 502, page 55: H. R. 5113 provides for positive coordination of all United States representatives in each country under the leadership of the Ambassador.

Section 507: The Smith amendment sets up special country missions whose relationship with the Ambassador is one of mutual consultation and referral of differences, with Ambassador responsible for assuring that the operations of the new special mission are consistent with the foreign policy objectives of the United States. (A most difficult task with the control of economic and military aid in the special mission.)

6. TRANSFERABILITY BETWEEN MILITARY AND ECONOMIC AID TO EUROPE

Section 101-b, page 46: H. R. 5113 provides for 5-percent transferability at the discretion of the President.

Section 502 and in amendment to section 101-b on page 46 of H. R. 5113; this is first part of Smith amendment on page 11032 of Senate Journal: The Smith amendment provides for 10-percent transferability, but vests the discretion in the Mutual Security Administrator.

7. MILITARY AID OUTSIDE EUROPE

Section 501 and section 504: H. R. 5113 provides for performance of all military aid by the Department of Defense and coordination of all military aid with other assistance through the Executive Office of the President.

Section 502 and section 503: The Smith amendment gives the Mutual Security Ad-

ministrator a strong coordinating role with respect to military aid for Europe, but leaves other military aid authority in the President to be delegated to the Secretary of Defense without the means for coordination provided in H. R. 5113.

Mr. MORSE. Last night the Senator from Illinois [Mr. DOUGLAS] and I engaged in a rather lengthy colloquy in regard to the personnel and training of the officials of the Foreign Service. I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a memorandum entitled "Key Foreign Service Personnel (Chiefs of Class I, Foreign Service Missions)."

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

KEY FOREIGN SERVICE PERSONNEL (CHIEFS OF CLASS I, FOREIGN SERVICE MISSIONS)

The Foreign Service Act (Public Law 724, 79th Cong.) requires that the positions occupied by the chiefs of our foreign missions be classified into four groups. The most important missions are put in class I. Thirteen missions have been designated class I, which means by definition that they are the most important posts of the United States abroad. These class I missions are Athens, Buenos Aires, Frankfurt, London, Mexico City, Moscow, New Delhi, Ottawa, Paris, Rio de Janeiro, Rome, Tehran, and Vienna.

Being Ambassador in any of these 13 posts represents the highest level of Foreign Service achievement. If it were true that the Foreign Service were dominated by a heavy concentration of Ivy League alumni with no practical business experience and with fuzzy ideas regarding foreign policy, certainly it would be expected that these 13 posts would have a good share of such people. However, a factual analysis reveals just the opposite.

The true facts can best be seen by a case-by-case examination of the background of the men who hold these 13 highest positions in our Foreign Service. Only by this means can we really see whether it can be truthfully charged that the Foreign Service is top-heavy with people who do not truly represent a solid cross section of American citizenship.

Five of the 13 class I missions are headed by career Foreign Service officers. These five men have reached the very apex of their Foreign Service careers. They have been selected by the President on a strictly merit basis, with the advice and consent of the Senate, for promotion to the top class of career ministers. Here, if any place, the alleged packing of Ivy Leaguers should be evident. So, before sketching the background of all 12 class I chiefs of mission, let us look just briefly at the educational backgrounds of these five top career Foreign Service officers.

Jack Peurifoy, Ambassador to Greece, is a self-made man from Waterboro, S. C. Illness prevented him from completing his course at the Military Academy at West Point. We are all familiar with and proud of the splendid record he made in Washington, starting as an elevator operator in the Capitol Building. He rose to the position of Deputy Under Secretary of State before being appointed Ambassador to Greece.

Loy Henderson, Ambassador to India, comes from Rogers, Ark. He was educated at Northwestern University and took his law degree at the University of Denver. He has served as Counselor of Embassy at Moscow and Minister to Iraq before his present assignment.

Herschel Johnson, Ambassador to Brazil, is a career Foreign Service officer from Atlanta, Ga., who took his college work at the University of North Carolina. Formerly Minister

to Sweden, Mr. Johnson has also held many positions of importance in our work with the United Nations.

James Dunn represents this country at the top post in Rome as Ambassador to Italy. Newark, N. J., is his home town. His brilliant career in the Foreign Service followed his private study of law. Mr. Dunn served for a period as an Assistant Secretary of State.

Walter Donnelly is United States High Commissioner for Austria with the personal rank of Ambassador. Born in New Haven, Conn., Mr. Donnelly was educated here in Washington at Georgetown University. He served as Ambassador to Costa Rica and to Venezuela before assuming his present responsibilities in Vienna.

These five career officers are the ones who head class I missions. They come from the South, the Middle West, New England, and the Middle Atlantic States. They have been educated at West Point, Northwestern University, University of Denver, University of North Carolina, and Georgetown University. Unless there has been a recent startling increase in the scope of the Ivy League, it can hardly be charged with fairness or factual accuracy that the top men in the Foreign Service represent uncharacteristic American backgrounds either from the standpoint of their place of birth or of their place of education.

Mr. Walter S. Gifford, Ambassador to London, brings to his post a vast fund of practical business experience acquired through a long career in the communications industry, which was climaxed by his appointment as president and chairman of the board of the American Telephone & Telegraph Co.

Admiral Alan G. Kirk, Ambassador to Russia, has a distinguished naval career which is so well known that it need not be summarized here.

Mr. John J. McCloy, United States High Commissioner for Germany, was born in Philadelphia and educated at Amherst College. After a most successful practice of law, Mr. McCloy served as Assistant Secretary of War, and later as President of the International Bank before being appointed to his present post in Germany.

Mr. Ellsworth Bunker, Ambassador to Argentina, likewise achieved his initial prominence in the field of private industry. He has been president and chairman of the board of the National Sugar Refining Co. prior to his appointment to Buenos Aires.

Mr. William O'Dwyer, Ambassador to Mexico, has served the public outstandingly in both a military and a civilian capacity. He rose to the grade of brigadier general in the United States Army during the war and held many highly responsible military assignments. Immediately prior to his appointment as Ambassador, Mr. O'Dwyer was, of course, mayor of New York City. Mr. O'Dwyer is a native of Ireland and received his law degree at Fordham University.

Mr. David Bruce holds the important post as Ambassador to France. He was engaged in banking and private business from 1928 to 1940, when he took a position of major responsibility with the American Red Cross. During the war he served with the Office of Strategic Services. He was Assistant Secretary of Commerce and Chief of the ECA Mission to France before being appointed Ambassador.

Mr. Stanley Woodward, Ambassador to Canada, has been in public service in the United States and abroad throughout his entire career. He served in important positions in the Department of State and in the city of Philadelphia prior to his appointment to Ottawa.

Mr. Henry Grady, Ambassador to Iran, rounds out the 13 class I chief of mission positions. Mr. Grady is an outstanding citizen of the west coast. He was born in San

Francisco and has held a number of important positions in that city. Mr. Grady was educated at St. Mary's University in Baltimore and later attended the Catholic University in Washington, the University of California, and Columbia University. Among many important positions he has held during the course of his career there can be singled out his service as Assistant Secretary of State and as president of the American President Lines before his appointment as Ambassador to India, Ambassador to Greece, and Ambassador to Iran.

This brief enumeration of the men who hold the 13 top posts in the Foreign Service should dispel many misconceptions which may be held in support of the fallacious notion that our key Foreign Service officers represent a special class of society, or a special type of educational background which prevents them from representing the people of this country in a truly characteristic way.

The facts speak for themselves. These men have reached their present positions of prominence through years of demonstrated ability in business life and public service. We can well be proud of the ability of this country to produce men like these and to have them representing our interests abroad.

Mr. MORSE. This memorandum sets forth the training and background of these men. In my opinion, the memorandum supports the position which I took last night, as contrary to that of the Senator from Illinois. These men are not subject, I think, to the implications of criticism which the Senator from Illinois heaped upon the Foreign Service.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks another memorandum containing certain statistical material upon the training of our men in the Foreign Service.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Personnel of the Department of State and Foreign Service come from every walk of American life. They are representative Americans and come from urban and rural areas and from every State and Territory, generally in approximate proportion to the population of their place of origin. There is no one section of the country from which come all State Department employees, although numerically a greater proportion, of course, come from the heavily populated Eastern States. In the Foreign Service last year, for example, there were 689 employees from the State of New York and 541 from California.

The State Department has employees from practically every college and university in the country, although a college degree is not required for employment, and in the Foreign Service Officer Corps there are graduates from about 250 different colleges and universities. Further, the State Department continually asks all institutions for higher learning to recommend persons who are good representative Americans, and who would be willing and able to serve the United States in the conduct of its foreign affairs.

Of the 64 Ambassadors and Ministers in the Foreign Service, there are representatives from 30 States and the District of Columbia; 28 of these 64 officials come from New England and the Eastern States, 15 from the South and Southwest, 13 from the Midwest, and 8 from the West.

Of the 32 top officials in the State Department in Washington, 13 come from Eastern States, 13 from Southern and Southwestern States, 5 from the Midwest, and 1 from the far West.

Nearly 8,000 State Department and Foreign Service employees are veterans—a total of

nearly 80 percent of the men in the field and home services, and of these 425 are disabled veterans. There are a total of 2,250 Armed Force reservists in the Department, 1,433 in the Foreign Service and 767 in the United States.

Of the total employees of the State Department and Foreign Service nearly half are women, many of whom hold high positions at home and overseas.

Since 1948 the number of candidates applying to take the Foreign Service examination has dropped by nearly 50 percent (1948, 2,015; 1951, 1,030).

This is doubtless attributable in large part to the shortages of manpower associated with full employment, but many college and university officials have advised the State Department that some young people interested in foreign relations have hesitated to apply because they do not want to open themselves to the sort of unfair attacks made against personnel of the Department and the Foreign Service. The Foreign Service has tremendous responsibility to American business and commercial interests to keep them informed of changing conditions around the world in regard to trade and exchange controls and quotas, business and investment opportunities, etc.

MR. MORSE. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a memorandum setting forth the colleges and universities at which successful candidates in the Foreign Service examinations from 1945 to 1949 were educated. As one looks over the list he finds that the so-called Ivy League referred to by the Senator from Illinois does not make the contribution which he indicated in his speech last night.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

COLLEGES AND UNIVERSITIES AT WHICH SUCCESSFUL CANDIDATES IN THE FOREIGN SERVICE EXAMINATIONS, 1945-49, WERE EDUCATED (THERE ARE A FEW OMISSIONS DUE TO INCOMPLETE RECORDS)

Allegheny College, American University, Amherst College, Antioch College, Augustana College, Bard College, Barnard College, Bates College, Baylor University, Beloit College, Birmingham-Southern College, Boston College, Boston University, Bowdoin College, Bowling Green State University, Brooklyn College, Brown University, Bucknell University, Butler University, Carleton College, Catholic University of America, Colgate University, College of the City of New York, College of the Holy Cross, College of Puget Sound, College of William and Mary, College of Wooster, Colorado College, Columbia University, Cornell University, Creighton University, Dakota Wesleyan University, Dartmouth College, Davidson College, Denison University, DeSales College, Drew University, De Pauw University, Earlham College, Emory University, Fordham University, Franklin and Marshall College, George Washington University, Georgetown University, Georgia School of Technology, Gettysburg College, Goucher College, Grinnell College, Hamilton College, Hampden-Sydney College, Harvard University, Haverford College, Heidelberg College, Hope College, Illinois College, Illinois Wesleyan University, Immaculate Conception Seminary, Indiana University, Jamestown College, John Carroll University, Johns Hopkins University, Juniata College, Kansas State College of Agriculture and Applied Science, Kansas State Teachers College, King

College, Lee Junior College, Lehigh University, Louisiana Polytechnic Institute, Loyola University (Chicago), Macalester College, Manhattan College, Massachusetts Institute of Technology, Massachusetts State College, McGill University, Miami University, Michigan State College, Mississippi State College, Montana State College, Morris Harvey College, Mount Holyoke College, Mount St. Mary College, New Jersey State Teachers College, New York State College for Teachers, New York University.

Northwestern University, Oberlin College, Occidental College, Ohio State University, Ohio University, Olivet College, Parsons College, Pennsylvania State College, Pomona College, Presbyterian College, Princeton University, Providence College, Queens College (New York), Radcliffe College, Randolph-Macon College, Reed College, Rensselaer Polytechnic Institute, Rutgers University, St. Benedict's College, St. Francis College (New York), St. John's College (Maryland), St. John's University (New York), St. Louis University, St. Mary's University (Texas), St. Olaf College, San Diego State College, San Francisco College, San José State College, Santa Ana Junior College, Santa Clara College, Seton Hall College, Sioux Falls College, Southwestern at Memphis, Stanford University, State Teachers College (Oneonta, N. Y.), State Teachers College (Pennsylvania), State University of Iowa, Swarthmore College, Syracuse University, Temple University, Texas College of A & M, Trinity College (Connecticut), Tufts College, Tulane University, Union College (New York), United States Merchant Marine Academy, United States Military Academy, United States Naval Academy, University of Alabama, University of Arizona, University of California (Berkeley), University of California (Los Angeles), University of Chicago, University of Colorado, University of Connecticut, University of Delaware, University of Detroit, University of Florida, University of Glasgow, University of Idaho, University of Illinois, University of Kansas, University of Kentucky, University of Louisville, University of Maine, University of Maryland, University of Michigan, University of Minnesota, University of Mississippi, University of Missouri, University of Nebraska, University of New Hampshire, University of New Mexico, University of North Carolina, University of North Dakota, University of Notre Dame, University of Oklahoma, University of Oregon, University of Pennsylvania, University of Pittsburgh, University of Redlands, University of Rochester, University of the South, University of South Carolina, University of Southern California, University of Tennessee, University of Texas, University of Toledo, University of Toronto, University of Utah, University of Virginia, University of Washington, University of Wisconsin, University of Wyoming, Ursinus College, Vanderbilt University, Vassar College, Villanova College, Virginia Military Institute, Wabash College, Washington and Jefferson College, Washington and Lee University, Washington University, Wayne University, Wellesley College, Wesleyan University, West Virginia University, Wheaton College (Illinois), Whitman College, Williams College (Massachusetts), Yale University.

MR. MORSE. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks, a table, setting forth, by States, where State Department personnel come from, including the Foreign Service.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Where State Department personnel come from (including Foreign Service)

State:	Number
Alabama.....	107
Arizona.....	47
Arkansas.....	74
California.....	690
Colorado.....	85
Connecticut.....	195
Delaware.....	22
Florida.....	176
Georgia.....	239
Idaho.....	27
Illinois.....	463
Indiana.....	115
Iowa.....	159
Kansas.....	100
Kentucky.....	111
Louisiana.....	75
Maine.....	71
Maryland.....	529
Massachusetts.....	52
Michigan.....	223
Minnesota.....	218
Mississippi.....	68
Missouri.....	301
Montana.....	43
Nebraska.....	76
Nevada.....	12
New Hampshire.....	43
New Jersey.....	321
New Mexico.....	24
New York.....	1,424
North Carolina.....	240
North Dakota.....	35
Ohio.....	391
Oklahoma.....	59
Oregon.....	63
Pennsylvania.....	710
Rhode Island.....	70
South Carolina.....	163
South Dakota.....	43
Tennessee.....	161
Texas.....	321
Utah.....	59
Vermont.....	24
Virginia.....	657
Washington.....	130
West Virginia.....	132
Wisconsin.....	137
Wyoming.....	20

MR. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks two editorials, one from the Louisville Times of August 25, 1951, entitled "Aid An Instrument of Foreign Policy," which supports the position which the junior Senator from Oregon is taking in opposition to the Smith amendment; also an editorial entitled "It's Time to Pull Foreign Aid Back Into True Perspective," published in the Louisville Courier-Journal of August 25, 1951.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

AID AN INSTRUMENT OF FOREIGN POLICY

American aid to foreign countries, we have always assumed, is an instrument in our conduct of foreign policy. To a degree, we suppose, the United States helps other nations in a spirit of pure altruism. But to an even greater degree we give aid in a spirit of pure self-interest. The whole ECA program, for example, was based on the theory that by supporting the nations involved we would be making them able to resist either internal or external assaults of communism. It also was based on the theory that by making them economically healthy it would be possible for us to continue to be economically healthy.

We also always have assumed that one country can have only one foreign policy.

It seems to us incredible that a nation should have 2 or 3 or 4 foreign policies.

But that multiplication of foreign policy will be the almost inevitable result if the recent action of the Senate Armed Services and Foreign Relations Committees is adopted by the whole Congress. Those committees have decided that authority over the proposed foreign aid program of \$8,500,000,000 should be split up among the State Department, which would run the point 4 plan; the Defense Department, which would supervise military aid, and ECA, which would operate economic assistance.

In other words, we would have representatives of three different agencies in each of the recipient countries, and each agency would be handling its own small piece of foreign policy. To some extent, this is what we have had under ECA itself. And the results, while good on the whole, have not always been of the best. In several areas there has been continuing and unresolved conflict between ECA and the State Department. Are we now to compound this conflict?

Part of the refusal to put foreign aid under the State Department undoubtedly reflects the get-Acheson sentiment in Congress. The House, it might be noted, already has passed a bill which would keep foreign aid out of the State Department.

But Acheson still is Secretary of State. The country cannot have more than one Secretary of State. The man who holds that office, whether his name is Acheson or McCARTHY, ought to be the man who, under the President, directs all phases of foreign policy. Any other system leads only to quarrels, waste and diffusion of effort.

IT'S TIME TO PULL FOREIGN AID BACK INTO TRUE PERSPECTIVE

One day in January 1948 General George C. Marshall sat down with the Senate Foreign Relations Committee to discuss the European aid program that bears his name.

"Either undertake to meet the requirements of the problem," he advised, "or don't undertake it at all."

Largely thanks to the late Senator Arthur Vandenberg, Congress did undertake to meet the requirements, and as a result economic and political recovery in Western Europe has exceeded expectations. Today, with Senator Vandenberg no longer present and with hostility to Secretary of State Dean Acheson distorting Congressional action, General Marshall's advice needs recalling.

Both House and Senate have shown stubborn determination to take further economic and military aid to foreign nations out of the hands of the Secretary of State. The House has voted to set up a separate agency independent of the State Department. The Senate Foreign Relations and Armed Services Committees have voted to split up administration. Under the Senators' plan, the State and Defense Departments and the ECA would all run the show, with President Truman as referee.

Very obviously, the whole point of the administration's \$8,500,000,000 proposal has been lost. The two Senate committees propose to knock off a billion dollars from that figure. This may or may not be crippling. But what is more important is this: the arms-and-money program is in reality an instrument of foreign policy. It is intended to make things develop as we want them to develop in Europe—the free nations growing stronger, the peace growing more secure, but with the double insurance of adequate defenses in case of attack. The State Department is the Federal entity charged with carrying out United States foreign policy. Administration of the aid program, therefore, ought to belong to the State Department.

Imagine, if you can, the confusion of an Italian or a French official to whom United

States foreign policy means the policy of the United States officials he deals with in his own capital. An ambassador might pronounce his concept of State Department policy, a general might argue quite different intentions on the part of the Defense Department, and an ECA administrator could have different ideas from either about what the United States intends to do by way of help. The result is administrative anarchy. It by no means meets the requirements of the problem which General Marshall spoke of.

Even if the split-up administration works smoothly at Washington—as the ECA-State Department partnership has—it is disastrous in the field, in the far-away cities and villages toward which the whole effort is directed. If Congress persists in twisting a major gesture of foreign policy because of personal resentment against one man it will be guilty of a deep disservice to the United States.

Mr. MORSE. To my friend from Illinois I say that I have had time to look over the statistics to which I understood he referred, in regard to the training of the Foreign Service personnel.

The VICE PRESIDENT. The time of the Senator has expired.

There is 1 minute left.

Mr. CONNALLY. Mr. President, I very much hope that the Senate will not adopt this amendment, but will reject it. As pointed out by the distinguished Senator from Oregon [Mr. MORSE], the committee considered this amendment very fully and rejected it by a vote of 19 to 1. We were trying to get away from having the different branches under one man who would have a background of his own. If he were a soldier, he would have a soldier's background. If he were an ECA man, he would have an economic background. We thought that we should have a military man under General Eisenhower, and have the Defense Department run the Army. We felt we should let the ECA continue in its operations.

I hope the Senate will reject the amendment.

The VICE PRESIDENT. The time of the Senator from Texas has expired. All time for debate on the amendment has expired.

Mr. TAFT. Mr. President, I move to amend the pending amendment by striking out lines 1 to 8, inclusive, on page 1, and lines 1 to 11, inclusive, on page 2. I offer the amendment to the amendment for the purpose of clarifying the issue involved. There are two issues involved. The first part of the amendment, which I ask to have stricken out, has been objected to by the Senator from South Dakota [Mr. CASE]. I believe the 10-percent proposal is a different subject, and I should like to get a vote on the remainder of the amendment, dealing with the Mutual Security Administration. I should like to use my time on this amendment in discussing the proposal of the committee. We have been discussing the other proposal. Let us look at the proposal of the committee.

Mr. MAYBANK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from South Carolina?

Mr. MAYBANK. Mr. President, I was going to ask if the time is divided equally

between the Senator from Ohio [Mr. TAFT] and the Senator from Texas [Mr. CONNALLY].

The VICE PRESIDENT. That is provided for in the unanimous-consent agreement.

Mr. MAYBANK. Yes.

The VICE PRESIDENT. The same rule applies.

Mr. MAYBANK. Fifteen minutes of debate is allowed on each side?

The VICE PRESIDENT. Yes.

Mr. TAFT. So far as ECA is concerned, at page 58 of the bill, subparagraph "(c)" reads:

(c) On or before March 30, 1952, the President shall submit to the Congress a reorganization plan under the Reorganization Act of 1949 (5 U. S. C. 1332) abolishing the Economic Cooperation Administration and transferring such of the powers and functions conferred upon the Administrator by the Economic Cooperation Act of 1949, as amended, as are necessary to carry out the purposes of the Mutual Security Act of 1951, to such other agency, or agencies, of the Government, as appropriate, and the powers so transferred shall, notwithstanding the provisions of section 122 of the Economic Cooperation Act of 1948, as amended, continue until July 1, 1954, unless terminated earlier by concurrent resolution of the two Houses of Congress. The liquidation provisions of section 122 of the Economic Cooperation Act of 1943, as amended, shall become effective on July 1, 1954, or the effective date of such concurrent resolution, whichever is earlier, and be administered by the agency or agencies to which any such power or function is transferred.

That seems to me to be unnecessary. If the President submits a reorganization plan, we cannot amend it. He can submit any plan he wishes to submit. The chance of defeating a plan is remote under all the circumstances. It seems to me that Congress should decide what the organization should be.

The committee asks the President to submit a reorganization plan on or before March 30, 1952. I do not see why Congress should not now determine the proper organization to be set up. Why call for a reorganization plan? It was not intended to deal with new agencies at all, when the act was passed. The Reorganization Act was passed to apply to existing agencies, so as to permit the President to reorganize them.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TAFT. It seems to me obvious that under this proposal the President could transfer ECA to someone who could continue it for two more years.

I yield to the Senator from Georgia.

Mr. RUSSELL. The Senator from Ohio is aware of the fact, is he not, that the President can transfer such powers and functions as appear necessary to carry out the purposes of the Mutual Security Act of 1951 to any such agency?

Mr. TAFT. The requirement is—

Mr. RUSSELL. And it must be submitted to Congress on or before March 30, 1952, whereas the amendment of which the Senator from Ohio is a co-sponsor proposes to establish the whole program of European aid on practically a Cabinet level.

The Administrator shall have a status in the executive branch of the Government comparable to that of the head of an executive department.

The Senator from Ohio would make the Administrator who would deal with European aid practically a Cabinet officer.

Mr. TAFT. Military and economic aid.

Mr. RUSSELL. Certainly. The Senator from Ohio is practically making the Administrator a permanent part of the executive branch of the Government, by giving him Cabinet status. The Administrator would pass out ECA aid. Some of us believe that we should be looking toward liquidating ECA, instead of perpetuating it on Cabinet level.

Mr. TAFT. Surely we are continuing three separate organizations in Europe and all over the world. We have any number of organizations all over the world. We have built ECA up in Europe to the point where it is almost equal to the State Department. Now we will have a Mutual Defense Administration. In addition, we will have ECA. We will have separate groups of Americans in every single nation of Europe trying to pass out the funds.

It seems to me that all of it should be consolidated, and that the consolidation should be brought about now.

The suggestion has been made that in some way the Administrator would overrule General Eisenhower. I venture to suggest that any man who was appointed to this job and who would operate in Europe would be a man to whom General Eisenhower would have far more access and on whom he would have much more influence than he would have on the Pentagon, which would administer the mutual-assistance program under the committee bill.

I have not heard any objection from General Eisenhower to the program submitted by the Senator from New Jersey [Mr. SMITH]. I am informed that it was approved unanimously by the House Committee on Foreign Affairs, as against the action by the Senate committee. The proposed program would tend toward coordinating the entire job in Europe, as General Eisenhower would want it to be coordinated and conducted, instead of interfering with the general's operations.

Mr. KERR. Mr. President, will the Senator yield?

Mr. TAFT. Yes.

Mr. KERR. Is the Senator speaking on the floor of the Senate in behalf of General Eisenhower?

Mr. TAFT. So, Mr. President, I urge very strongly that we eliminate the first part of the amendment, which I believe confuses the issue. It can be offered separately again if necessary.

I yield 1 minute to the Senator from South Dakota.

Mr. CASE. Mr. President, I merely wish to say that the purpose of the Mutual Security Administration, which would be created by this amendment, appeals to me. I really believe that General Eisenhower would have far more influence with the Mutual Security Administration than he would have with the State Department.

So far as setting up a new agency is concerned, and having it continued, it is my opinion that the way an agency is

continued is by hiding it in another agency. When the Maritime Commission was a separate organization we knew what it was doing. When it was put in the Department of Commerce we lost sight of it. If we want an agency to remain under public scrutiny and under the scrutiny of Congress, we must keep it independent. I hope the two issues will be kept separate so that we can vote on them separately.

Mr. TAFT. Mr. President, how much time do I have remaining?

The VICE PRESIDENT. Seven minutes.

Mr. TAFT. I yield 4 minutes to the senior Senator from Illinois.

Mr. DOUGLAS. Mr. President, I think there are two advantages to the amendment which is being proposed. The first is that in a unified administration there will be less duplication in the countries of Europe. If we have one administration taking care of economic affairs, another administration taking care of defense affairs, and still another one taking care of point 4, we are bound to have duplicate and, in some instances, triplicate organizations, with the result that the successor to the ECA, the Department of State, and the Defense Department would each have its agencies in countries abroad.

If we have a completely unified administration on the other hand we could have one representative in each of the foreign countries. I regret to say that we were unduly charitable to the State Department in allowing point 4 to be continued by it and not be incorporated in this unified administration. We shall have some duplication as a result, but certainly we shall eliminate a great deal of duplication by having only one representative for defense and economic aid and only one representative for point 4. That is the first advantage which this amendment offers.

Mr. NIXON. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes.

Mr. NIXON. The Senator from Illinois will recall that in his remarks on the State Department appropriation bill he referred to the fact that in the State Department at the present time there was much overlapping of duties, and I believe the Senator from Illinois criticized the State Department because various of its officials write memoranda to each other concerning a problem, instead of taking the action that needs to be taken. Would the Senator from Illinois agree that by adopting the single administrator plan we could eliminate a great deal of the overlapping which admittedly occurs in the European theater, and also eliminate potential overlapping in the future?

Mr. DOUGLAS. I agree with the Senator from California that it will eliminate a great deal of unnecessary duplication both in Washington and in countries abroad.

This amendment has a second advantage. One of the most difficult decisions will be to determine whether we should send steel and machine tools and other metals to Europe with which Europe would make tanks, artillery, machine

guns, and so forth, with labor which in large part is unemployed at the present time—and if we do that, it will be with economic aid in which we shall furnish the raw materials, but they will manufacture the end product—or whether we should initially send tanks, artillery, machine guns, and so forth, made in this country.

In a great many cases it will be more economical for us to send what is ostensibly economic aid; in other words, materials which can be fabricated into weapons by utilizing, for example, the plants and manufacturing resources of Italy. We can get more armament for our money in that way.

If the administration is divided, with one man in charge of economic aid and another man in charge of military aid—and by means of section 504 the man in charge of military aid will have complete control in the determination of what end items are to be produced—naturally the policy established will be one which will favor the making of the end items in the United States and sending them abroad. If the man in charge of economic aid protests, the result will be that another task will be thrown upon the already overburdened shoulders of the President.

It seems to me much better that the initial decision as to the proportions with which these programs should be carried on with some degree of flexibility should be in the hands of an Administrator. I think that in this way the results will be much better. The military will still handle the problem of procurement and deal with the problems of obtaining and using the arms and the equipment which are decided upon; but in the border-line cases we shall have a unified Administration which can make the decisions.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. KEFAUVER. Does not the amendment provide, on page 5, that if the national security requires that an item be made in the United States, the military will have the right to decide that, on the basis of the national security, the item can be made in the United States?

Mr. DOUGLAS. That is correct.

Mr. KEFAUVER. Does not the amendment set forth on page 6 the items the military requested in their letter which was sent to the Armed Services Committee and the Foreign Relations Committee?

Mr. DOUGLAS. That is correct.

Mr. CONNALLY. Mr. President, I very much hope the Senate will reject this amendment. It was carefully considered in the committee; and the committee by an overwhelming vote included the provisions which now are found in the bill, as the bill has been reported by the committee.

There is no sense in having one man, a military man, control the entire program, control all three divisions. The Defense Establishment and General Eisenhower ought to control the military; they ought not be bothered and harassed by the ECA. Let the ECA run itself. We are going to abolish the ECA, according to this bill, in 1952. Let us

have a military man run the military, and let an ECA man run the ECA; let a man who has had experience in that work handle it. Then let the State Department control the point 4 program, if the State Department wants something to control.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I yield.

Mr. KEFAUVER. The Senator from Georgia and also the distinguished Senator from Texas said this amendment would transfer certain purely military items to the civilian administrator. Will the Senator point out any particular military function which the amendment would transfer from the military to the civilian administrator?

Mr. CONNALLY. If there is a civilian administrator, all of it will be transferred to him.

Mr. KEFAUVER. Does not the Senator from Texas agree that the functions which the military want, and which are incorporated in the bill as reported by the committee, also are incorporated on page 6 of the amendment, so that no actual military functions would be transferred from the military under the terms of this amendment?

Mr. CONNALLY. I know; but if there is one administrator who has control of all three divisions and everything else, he will operate the program according to his own idea.

So, Mr. President, I hope very much the Senate will reject the amendment. This matter has been carefully studied, debated, thought out, and considered. I ask that the amendment be rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Ohio to the amendment submitted by the Senator from Tennessee, on behalf of himself and other Senators.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

Mr. TAFT. Mr. President, I do not think it is necessary to have the yeas and nays on this question.

Mr. KEFAUVER. Mr. President, as one of the original sponsors of the amendment which is generally known as the Smith amendment—and let me say that in this respect I am also authorized by the Senator from Illinois [Mr. DOUGLAS]—I agree to the modification of the amendment by accepting the amendment the Senator from Ohio has submitted to it.

The VICE PRESIDENT. The Senator has a right to modify his own amendment.

Mr. KEFAUVER. Mr. President, I now modify the amendment in that way, so that the amendment as modified will include the amendment submitted to it by the Senator from Ohio.

The VICE PRESIDENT. The amendment submitted by the Senator from Tennessee, for himself and other Senators, will be modified accordingly.

The question now is on agreeing to the amendment as modified.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNING], the Senator from West Virginia [Mr. NEELY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

The Senator from Nevada [Mr. McCARRAN], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from Maryland [Mr. O'CONNOR] is absent because of a death in his family.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

I announce further that if present and voting the Senator from New Mexico [Mr. CHAVEZ], the Senators from Arkansas [Mr. FULBRIGHT and Mr. McCLELLAN], the Senator from West Virginia [Mr. NEELY], the Senator from Virginia [Mr. ROBERTSON], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Mississippi [Mr. STENNIS] would vote "nay."

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Idaho [Mr. WELKER] is detained on official business.

If present and voting, the Senator from Washington [Mr. CAIN], and the Senator from Massachusetts [Mr. LODGE], would each vote "nay."

On this vote the Senator from Indiana [Mr. JENNER] is paired with the Senator from California [Mr. KNOWLAND]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from California would vote "nay."

On this vote the Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from New Hampshire would vote "nay."

On this vote the Senator from New Jersey [Mr. SMITH] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from New Jersey would vote "yea" and the Senator from Wisconsin would vote "nay."

The result was announced—yeas 18, nays 50, as follows:

YEAS—18

Bennett	Hendrickson	Moody
Benton	Ives	Mundt
Bricker	Kefauver	Nixon
Capehart	Kerr	Taft
Case	Langer	Watkins
Douglas	McCarthy	Young

NAYS—50

Aiken	George	Martin
Brewster	Gillette	Maybank
Bridges	Green	McFarland
Butler, Md.	Hayden	McKellar
Butler, Nebr.	Hill	McMahon
Byrd	Hoey	Millican
Carlson	Holland	Morse
Clements	Humphrey	Murray
Connally	Hunt	Pastore
Cordon	Johnson, Colo.	Russell
Dirksen	Johnson, Tex.	Schoeppel
Duff	Johnston, S. C.	Smathers
Dworshak	Kerr	Smith, Maine
Eastland	Kilgore	Thye
Eaton	Lehman	Underwood
Ellender	Long	Williams
Frear	Magnuson	

NOT VOTING—28

Anderson	Lodge	Smith, N. J.
Cain	Malone	Smith, N. C.
Chavez	McCarran	Sparkman
Ferguson	McClellan	Stennis
Flinders	Monroney	Tobery
Fulbright	Neely	Welker
Henning	O'Connor	Wherry
Hickenlooper	O'Mahoney	Wiley
Jenner	Robertson	
Knowland	Saltonstall	

So the amendment proposed by Mr. SMITH of New Jersey for himself, Mr. DOUGLAS, Mr. TAFT, and Mr. KEFAUVER, was rejected.

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a statement showing the distribution of foreign aid during the past few years.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

From the end of World War II in the summer of 1945 through June 30, 1951, the value of foreign economic assistance by the United States is estimated at more than \$34,000,000,000.

From the end of World War II in the summer of 1945 through June 30, 1951, the value of foreign military assistance by the United States is estimated at \$2,156,000,000.

From the end of World War II in the summer of 1945 through June 30, 1951, the value of foreign economic and military assistance by the United States is estimated at approximately \$36,250,000,000.

For the current fiscal year, which began July 1, the President requested additional foreign economic aid expenditures totaling \$2,200,000,000, and additional foreign military

aid expenditures totaling \$4,600,000,000. If these requests were approved the combined foreign-assistance programs over the 7 years involved will have cost the American taxpayers approximately \$43,500,000,000.

This means that the American pocketbook, for foreign assistance, has been and will continue to be nicked at the rate of nearly \$200 every time your watch ticks. These programs have been costing nearly \$750,000 every hour in the day, around the clock, since World War II ended. The cost has averaged nearly \$6,250,000,000 a year.

The pending bill would continue, and increase, this spending rate.

Actually, there is enough money in the unexpended balances from prior appropriations to keep this spending rate going throughout this fiscal year, even if no new money were appropriated. The actual balance spent from various appropriations in foreign economic aid on June 30, 1951 was \$1,507,000,000 and we spent from previous appropriations for military aid \$4,142,000,000 under present conditions in favor of military aid. But in these days when the American people are called upon for deep economic sacrifices at home which will be felt severely in the pending tax bill, there is little sympathy to be found for economic luxuries abroad to be paid for from American tax collections.

This economic aid has been pumped out around the world over the past 6 years through more than 25 programs which have come and gone, or still remain in many instances.

Counting aid to the American Republics, the city of Trieste and the Ryukyu Islands, economic aid is going or has gone to nearly 50 nations. And for a while at least it was going to nations behind the iron curtain, such as Russia, Czechoslovakia and Poland. It is still going to nations like India which do not hesitate to take our money with one hand and stab us in the back with the other.

The United States during fiscal year 1951 spent 14.1 percent of its gross national income for military preparedness against the threat of communism. No other nation outside the iron curtain even came close to investing such a percentage of its income for its defense. British defense expenditures last year totaled only 8.8 percent of their national product as compared with the American 14.1 percent; Canadian defense expenditures ran to only 8.3 percent; French defense expenditures went to only 9.3 percent; and defense expenditures by the other NATO countries ranged downward to 2.3 percent in Portugal.

The record of other European countries outside of the North Atlantic Treaty group was no better, and those in the Near East, Asia, and Pacific areas were worse. While the United States is taxing the ingenuity of its planners to dream up more programs through which military-aid money can be sent from the United States Treasury to the NATO nations, our other friends in the treaty organization are doing little among themselves through exchange programs originating outside of the United States. Canada has made a small commitment relative to furnishing funds for military end items; Great Britain has a program in connection with airplane production with Belgium and Holland; and the British and French are making some contribution for defense in Asia, the Near East, and Greece.

As to mutual assistance between foreign nations who are receiving American economic assistance, the record is no better. The British have an ambitious program on paper called the Colombo plan, but there is reason to suspect that if and when this plan ever goes into operation, it will be financed largely with American money, just as other mutual economic aid programs which technically are in existence at present.

ECONOMIC ASSISTANCE

Since the end of World War II, in the summer of 1945, the value of foreign economic assistance and relief (exclusive of military assistance) furnished by the United States Government has been costing the American taxpayer at the rate of more than \$10,000 a minute, more than \$500,000 an hour, more than \$15,000,000 a day, nearly a half billion dollars a month, and an average of more than \$5,600,000,000 a year.

The value of economic aid alone over this 6-year period, which ended last June 30, was more than \$34,000,000,000.

If the President's estimates for the current fiscal year 1952 were approved the value of American economic aid abroad from July 1945 through June 1952 would total \$36,600,000,000.

Through March 31 of this year this aid had been pumped out to more than 30 nations around the globe, plus the other American Republics, the free city of Trieste and the Ryukyu Islands, through more than 25 economic assistance and relief programs.

Including the programs proposed by the President for 1952, the parade of global pump-priming programs follows in chronological order along with the best available estimates of their cost:

Programs:	Millions of dollars
1. Military-civilian relief.....	870
2. Export-Import Bank.....	2,058
3. Surplus-property transfers.....	1,707
4. Lend-lease aid (civilian).....	2,592
5. Philippine programs.....	816
6. UNRRA.....	2,572
7. International Bank (United States subscription).....	635
8. Government and relief in occupied areas.....	4,121
9. British loan.....	3,750
10. Maritime Commission ship transfers.....	186
11. Relief assistance to war devastated countries (post-UNRRA).....	238
12. Foreign aid (interim aid).....	519
13. Aid to Greece and Turkey (nonmilitary).....	373
14. European recovery program.....	4,194
15. Stabilization aid to China.....	120
16. Aid to China.....	146
17. Economic-cooperation program.....	7,804
18. International Children's Fund.....	50
19. International refugee organization program.....	237
20. International Monetary Fund (United States subscription).....	2,750
21. Displaced Persons Commission program.....	20
22. Palestine refugee program.....	51
23. Aid to Korea.....	300
24. Point 4.....	28
25. Wheat for India program.....	100
26. Yugoslavia aid.....	60
27. Other foreign economic aid.....	364
Total economic aid.....	36,701

Through June 1951 this economic aid and relief had gone out in payments and other material assistance valued at thousands, millions, and billions of dollars to (1) Russia, (2) Czechoslovakia, (3) Poland, (4) Yugoslavia, (5) Finland, (6) China, (7) India, (8) Indonesia, (9) Iran, (10) Israel, (11) Japan, (12) the Ryukyus, (13) Korea, (14) Saudi Arabia, (15) the Philippines, (16) New Zealand, (17) Union of South Africa, (18) Australia, (19) Canada, (20) Austria, (21) Belgium and Luxemburg, (22) United Kingdom, (23) Denmark, (24) France, (25) Germany, (26) Greece, (27) Ireland, (28) Italy, (29) Netherlands, (30) Norway, (31) Sweden, (32) Trieste, (33) Turkey, (34) the American Republics.

MILITARY ASSISTANCE

Through June 30, 1951, the postwar value of American military assistance to foreign

nations totaled \$2,156,000,000. (This was in addition to the \$34,000,000,000 in economic aid which had been expended as of the same date.)

If the President's estimates for foreign military assistance in the current fiscal year were approved, expenditures for military assistance abroad between now and next June 30 would total \$4,600,000,000.

Thus military assistance to nations outside our borders since the end of World War II in 1945 would total \$6,756,000,000 by the end of this year. (Combined with economic assistance total postwar foreign assistance out of the American taxpayers' pockets would reach \$43,400,000,000.)

This military assistance, which is still in its embryo state, started out in 1946, and the record to date follows:

	Millions of dollars
Lend-lease.....	703
Greek-Turk.....	289
Assistance to China.....	125
Mutual-assistance program (beginning in fiscal year 1950).....	5,639
Total, military assistance.....	6,756

COUNTRY CONTRIBUTIONS TO DEFENSE

Country contributions to their own defense may be summarized as follows:

Country	Defense expenditures, 1951 (in millions)	Percent of gross national product, 1951	Taxation per cent of gross national product	Debt (in millions)
United States.....	\$46,600	14.1	26.2	\$257,000
Canada.....	1,558	8.3		
NATO countries (exclusive of Canada):				
Belgium-Luxemburg.....	280	4.1	19.6	4,563
Denmark.....	94	2.7	18.8	1,413
France.....	2,614	9.3	27.3	12,285
Iceland.....				
Italy.....	915	5.7	24.0	4,492
Netherlands.....	368	6.4	28.4	7,230
Norway.....	97	4.7	31.8	1,626
Portugal.....	48	2.3	11.4	360
United Kingdom.....	3,565	8.8	33.7	70,639
Subtotal, NATO countries (exclusive of Canada).....	7,981	7.5		102,908
Other European recovery program countries:				
Austria.....	24	1.3		
Germany.....	1,038	4.4		
Greece.....	178	9.7		
Turkey.....	162	5.2		
Ireland.....	14	1.3		
Sweden.....	165	2.7		
Other ERP countries.....	1,581	4.2		
Asia and Pacific:				
Korea (South).....	60	4.0		
Philippines.....	74	4.0		
Thailand.....	15	2.0		
Malaya.....	49	3.0		
India.....	444	2.0		
Pakistan.....	187	6.0		
Other American Republics (20 countries).....	930			

These figures include a considerable amount of American assistance money which could not be separated from funds originating within the countries.

Mr. DIRKSEN. Mr. President, I submit an amendment which is on the clerk's desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 45, line 17, it is proposed to strike out "\$1,130,500,000", and to insert in lieu thereof "\$380,500,000."

Mr. DIRKSEN. Mr. President, I have no intention of laboring the argument.

on the amendment, which is very simple. It cuts out \$250,000,000 of economic aid to Europe. I submitted an amendment earlier this afternoon for a \$500,000,000 cut, and it failed. I know there are some Members of the Senate who have reconsidered the matter, and might conceivably go along with a cut of a quarter of a billion dollars. That is all the amendment proposes. It affects economic aid alone. It does not touch the military aid. It applies only to economic aid to Europe, and it provides a reduction of \$250,000,000 in the amount allowed by the committee.

Mr. MAYBANK. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield to the Senator from South Carolina.

Mr. MAYBANK. When the original amendment suggested by the Senator from Illinois was before the Senate, I voted against it because I thought it went too deep in the economic aid appropriation, when I considered the fact that certain agricultural districts depend upon furnishing supplies which go into economic aid. I am happy to join the Senator in the amendment now proposed, in the hope that the amendment will be agreed to. I believe that the first amendment cut too deep, when we consider the agricultural communities of our country.

Mr. DIRKSEN. I thank my esteemed friend from South Carolina.

Mr. President, I have nothing further to say. If there is no more argument, since the matter has been fully debated, I am ready for a vote.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LONG. Is it the Senator's understanding that much of the military aid can be used to help foreign nations to build war plants or to supply them with machine tools with which to build more equipment?

Mr. DIRKSEN. The distinction is a vague one, but some human brain has to make the determination. I fancy it would not be too difficult to make it.

Mr. CONNALLY. Mr. President, I yield 5 minutes to the Senator from Connecticut.

Mr. McMAHON. Mr. President, I have no intention of wearying the Senate with any further discussion. I think we have all pretty well made up our minds. Yet I would feel as though I had not fulfilled my own individual trust if I did not rise in the Senate to oppose the adoption of the amendment.

I pointed out earlier today that the \$500,000,000 cut amounted to \$3.25 for each inhabitant of the United States; and if we divide it by two, as the Senator has, making the cut \$250,000,000, it amounts to \$1.62 for each inhabitant of the United States.

I should like Senators to weigh \$1.62 proposed in the name of economy against the effect that it might well have on our program for defending civilization and defending the Nation against the onslaught of men who have declared for all the world to hear that they intend to encompass the domination of the world.

I think we have adopted a wise course, one which the Senate has endorsed, in

sending our boys abroad for the security of the United States, to join with those of Western Europe in the defense of the free world.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McMAHON. I am sorry, but I cannot yield because of the limitation of time.

We had to send our boys to Europe, and the countries of Europe are now raising a force which, under General Eisenhower, promises to be able to do the job which needs to be done.

The Senator from Ohio [Mr. TAFT] said a few minutes ago that there was no difference between economic aid and military aid, and I agree with that statement. He said, according to an interview I read in the Associated Press about 10 days ago, that Eisenhower ought to have the military aid which he certifies to the Congress and to the country he needs. If we want to take a \$1.62 cut at him, if we want to stick a dagger into the hopes of people who are being placed on their feet, the adoption of such an amendment as this is the way to do it. As for me, I propose to vote against the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, I should like to yield 2 minutes to the Senator from South Carolina [Mr. MAYBANK].

Mr. MAYBANK. Mr. President, this amendment does not interfere with the military plans of General Eisenhower, does it?

Mr. DIRKSEN. By no stretch of the imagination does it have anything to do with military funds.

Mr. CONNALLY. Mr. President, I yield 5 minutes to the Senator from Arizona [Mr. McFARLAND].

Mr. McFARLAND. Mr. President I desire to speak only briefly on this amendment. The committee studied the bill before the Senate closely and carefully. It was testified before the committee that in the making of implements of war \$1 spent in Europe is worth \$2 spent in this country. It is clear moreover, that in this program we cannot differentiate between economic assistance and military assistance; one is an integral part of the other. In my judgment, \$250,000,000 spent in Europe in making implements of war and in helping the people over there, is worth more than \$250,000,000 spent in this country.

The committee received evidence from and talked to persons who are in charge of the program, and the committee reported a bill with a billion-dollar cut. If we are going to have a mutual-defense program, let us have it on a sound basis. Let us consider it from the standpoint of what is needed, and not from the standpoint of what someone thinks we are saving. Is it saving money to cut \$250,000,000 from the program, without logic or reason? I say it is not. There has not been one iota of evidence submitted this afternoon as to why \$500,000,000, \$250,000,000, or any other sum should be cut from

the program. There has not been one iota of evidence submitted as to why \$1 should be cut from it. Why should we, when the very existence of the world is at stake, try to cut \$250,000,000 from a program which is for the mutual defense of all the free nations of the world?

I, for one, am not going to be responsible for voting for a cut which may mean that more American men will be put in jeopardy.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McFARLAND. I do not have time. I have only 5 minutes. Yes; but I yield briefly to the Senator from South Carolina.

Mr. MAYBANK. This is an authorization bill, not an appropriation bill.

Mr. McFARLAND. Yes, that is correct. It is an authorization bill. It does not necessarily mean that the entire \$7,500,000,000 will be appropriated. That is just why we should not approve this amendment. The appropriation will be reviewed by the Appropriations Committee.

I say, Mr. President, it is poor business for us to play with the defense of the world unless some evidence is brought in to show to us just why this cut should be made. I hope the amendment will be defeated.

Mr. CONNALLY. Mr. President, I yield 2 minutes to the Senator from Rhode Island [Mr. GREEN].

Mr. GREEN. Mr. President, all the evidence before us shows that economic strength is the foundation on which rests the whole superstructure of military defense. Undermine the one and the other comes toppling down.

I invite attention to the fact that General Eisenhower has stressed that point over and over again. Only recently, in Paris, he said:

Remember that this conflict—spiritually, industrially, economically, militarily—is all tied together. And let us not try to separate the parts because they relate one to the other. A basic aim is to give assurance to Western Europe: the confidence that it is all right for it to go out and do its best. That's what American leadership should do here, and is doing, I am convinced. All the way round, with my civilian associates and everyone else, we are trying to create that feeling of confidence.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Colorado [Mr. MILLIKIN].

Mr. MILLIKIN. Mr. President, it has been said that this matter involves \$1.65 for every citizen of the United States. This matter involves about \$400 for every citizen of the United States for 1 year. The whole program is tied together. Our military expenditures for the fiscal year 1952, not to mention 1953, in which they will be much heavier—our military expenditures for the fiscal year 1952, all made in defense of this world, and all made in defense of this country, will cost every man, woman, and child in this country an average of not \$1.65, but about \$400, or about \$1,600 for every family in the United States.

That is all I wish to say.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Louisiana [Mr. LONG].

Mr. LONG. Mr. President, as a member of the Armed Services Committee, I should like to point out to the Senate that all this money is not earmarked. The testimony before the committee was to the effect that \$5,000,000,000 was wanted for the purpose of military aid for Europe. Those who appeared before the committee said that it was proposed to give so much to this country, and so much to that country, but they said, "We do not want it earmarked. We may want to give a smaller amount to one country and a greater amount to another. We would rather bargain back and forth so it might be possible to cause a country to work out a better agreement with us."

Mr. President, it seems to me the American taxpayers are entitled to every reasonable saving we can accomplish.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MAYBANK. I ask the Senator from Louisiana, as a member of the Armed Services Committee, whether adoption of the amendment would result in interfering with General Eisenhower's military plans?

Mr. LONG. No. General Eisenhower is going to have \$7,000,000,000 to put wherever he wants to put it, and for whatever purposes he thinks best. As I said, the money is not earmarked, is not allocated. Plans are to be worked out as to how the money is to be allocated and spent.

The amendment proposes to cut economic aid. I believe we can also cut some military aid. Senators can study appropriation bills and find items with respect to which the work contemplated can be done at a little less cost than provided in the bills. We now are hitting the American people with a \$7,000,000,000 bill, and I feel that at certain points we are justified in asking some countries to skimp.

Let us see what the European countries propose to do. Last year they spent the equivalent of \$5,299,000,000. This year they are going to spend on their defenses, according to figures in the RECORD, \$7,990,000,000, an increase of about \$1,600,000,000. That is on the part of all Western Europe.

How much more are we proposing to appropriate in this country? In excess of \$60,000,000,000. The European countries have the protection afforded by our Army, our Navy, our Air Forces—all of our armed services. The Senator from Virginia [Mr. BYRD] placed figures in the RECORD showing we had spent \$35,000,000,000 in building up Western Europe. Is it not time that we now exercise a little discretion by saving the taxpayers of America a few dollars by reducing some of the amounts as these bills come through?

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN] on page 45, line 17, to strike out \$1,130,500,000, and insert in the lieu thereof \$880,500,000.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Georgia [Mr. GEORGE], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Maryland [Mr. O'CONNOR] is absent because of a death in his family.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Nevada [Mr. McCARRAN] is paired on this vote with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Alabama would vote "nay."

The Senator from Arkansas [Mr. McCLELLAN] is paired on this vote with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from West Virginia would vote "nay."

I announce further that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from New Mexico [Mr. CHAVEZ] would vote "nay."

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent. If present and voting, the Senator from Nebraska [Mr. WHERRY] would vote "yea."

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif. If present and voting, the Senator from Iowa [Mr. HICKENLOOPER] would vote "yea."

The Senator from Nevada [Mr. McCARRAN] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness. The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of

the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Ohio [Mr. BRICKER] and the Senator from Nebraska [Mr. BUTLER] are detained on official business.

On this vote the Senator from Ohio [Mr. BRICKER] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Ohio would vote "yea" and the Senator from Massachusetts would vote "nay."

On this vote the Senator from Nebraska [Mr. BUTLER] is paired with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from New Hampshire would vote "nay."

On this vote the Senator from Washington [Mr. CAIN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Washington would vote "yea" and the Senator from New Jersey would vote "nay."

On this vote the Senator from Indiana [Mr. JENNER] is paired with the Senator from California [Mr. KNOWLAND]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from California would vote "nay."

On this vote the Senator from Nevada [Mr. MALONE] is paired with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Nevada would vote "yea" and the Senator from Massachusetts would vote "nay."

On this vote the Senator from Michigan [Mr. FERGUSON] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Michigan would vote "yea" and the Senator from Vermont would vote "nay."

The result was announced—yeas 36, nays 34, as follows:

YEAS—36

Aiken	Eaton	McKellar
Bennett	Ellender	Millikin
Brewster	Frear	Mundt
Bridges	Hendrickson	Robertson
Butler, Md.	Johnson, Colo.	Schoeppel
Byrd	Johnston, S. C.	Smith, Maine
Capehart	Kem	Stennis
Carlson	Langer	Taft
Case	Long	Watkins
Cordon	Martin	Welker
Dirksen	Maybank	Williams
Dworshak	McCarthy	Young

NAYS—34

Benton	Holland	Moody
Clements	Humphrey	Morse
Connally	Hunt	Murray
Douglas	Ives	Nixon
Duff	Johnson, Tex.	O'Mahoney
Eastland	Kefauver	Pastore
Gillette	Kerr	Russell
Green	Kilgore	Smathers
Hayden	Lehman	Thye
Hennings	Magnuson	Underwood
Hill	McFarland	
Hoey	McMahon	

NOT VOTING—26

Anderson	Hickenlooper	O'Connor
Bricker	Jenner	Saltonstall
Butler, Nebr.	Knowland	Smith, N. J.
Cain	Lodge	Smith, N. C.
Chavez	Malone	Sparkman
Ferguson	McCarran	Tobey
Flinders	McClellan	Wherry
Fulbright	Monroney	Wiley
George	Neely	

So Mr. DIRKSEN's amendment was agreed to.

Mr. DOUGLAS. Mr. President, on behalf of the senior Senator from Ohio

[Mr. TAFT] and myself, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 48, line 16, in the committee amendment in lieu of "\$122,500,000" it is proposed to insert "\$160,000,000."

On page 48, line 24, in lieu of "\$40,000,000" it is proposed to insert "\$50,000,000."

On page 49, line 13, in lieu of "\$40,000,000" it is proposed to insert "\$50,000,000."

The VICE PRESIDENT. Without objection, the amendments will be considered together.

Mr. DOUGLAS. Mr. President, I yield myself 7 minutes.

Mr. President, this amendment deals with authorizations for the Near East. When the House passed the bill it provided \$50,000,000 for Arab refugees, \$50,000,000 for the resettlement of Jewish refugees in Israel, and \$75,000,000 for economic aid to the countries of the Near East, making a total of \$175,000,000. The Senate committee has cut these figures to \$40,000,000 for the resettlement of Arab refugees, \$40,000,000 for the resettlement of Jewish refugees, and \$42,500,000 for economic aid, making a total of \$122,500,000, or a cut of \$52,500,000.

The proposal which the Senator from Ohio and I are advancing is that we return to the House figures for the resettlement of Arab refugees and Jewish refugees, and that we raise the figure for economic aid from \$42,500,000 to \$60,000,000, making a total of \$160,000,000 for the Near East.

Out of this sum the Arab States would receive approximately \$68,800,000, and the State of Israel \$68,800,000. It is the intention of the Senator from Ohio and myself to preserve equality in the amounts given to the Arab States and to the State of Israel.

We believe that it is very important that we should increase the amounts for the Near East. I may say that if this amendment is adopted it is our intention to offer another amendment reducing, by the amount of the increase, the sums which otherwise would be spent for Europe, so that there will be no net increase in the total amount appropriated, but merely a shifting from Europe to the Near East.

I do not think it is fully realized that it is quite possible that, while we have one eye fixed on Western Europe and another eye fixed on Asia, the Russians may come down the center, striking at the rich oil reserves of this area, an area which is relatively unguarded and unprotected and is of great strategic importance.

Mr. President, the human need in that area today is great, both among the Arabs and among the Jews. The Arabs have a problem of taking care of some 800,000 to 900,000 refugees. This situation may lead to great unrest and difficulty. We believe that the full \$50,000,000 is needed for them.

Israel has also a great need. Israel started 3 years ago with a population of approximately 650,000 people. In a space of 3 years it has absorbed 600,000 immigrants, doubling its population.

That is a rate of immigration which has never been equalled in the history of the world. We used to think we were having quite a problem when we added 1½ percent to our population each year by immigration.

Israel has been adding to her population for 3 years at the rate of 33 percent a year. They have been accepting these new citizens with great resourcefulness and courage, although I understand that 100,000 of them are still living in tents.

During the coming 3 years Israel will have the problem of absorbing 600,000 more from the Arab States and from the states behind the iron curtain. This will require a total expenditure, assuming a sum for resettlement of \$2,500 per person, of \$1,500,000,000. They are hoping to raise about \$350,000,000 of this sum by internal taxes. They are going to sell \$500,000,000 worth of bonds to interested parties in this country. They are also hoping to interest foreign private investment in Israel in the amount of \$75,000,000. They are depending on approximately \$125,000,000 of charitable grants from this country and \$150,000,000 to be raised from the Jews of other countries. But I think we should also give them a hand, by a \$50,000,000 grant to help in the resettlement of the Jews in Israel, plus that share of the economic aid which would be properly theirs.

Mr. President, I think this is an extremely good investment, not only for humanitarian reasons, but also from the point of view of the security of the free nations. Israel has the second strongest military force in the Near East, an army of 200,000, second only to that of Turkey. It is in an area now under threatening pressures. Its loyalty is to the west—more clearly and more fully so than in the case of the surrounding countries. In the recent election, the Communists polled only 4 percent of the total vote. The left-wing party, which has a foreign policy somewhat similar to that of the Communists, polled only 12 percent. The strength of both these parties has diminished. The party of the right increased its strength. The party of the center increased its strength.

Israel has just concluded a treaty of friendship with the United States. It is a potential source of manufacturing for the whole eastern Mediterranean area. It has made great gains in its first 3 years. It is a refuge for the victims of new persecutions. It is a democratic example for the area.

I hope very much that this program can be carried through and that the Senate will approve the increased authorizations called for in our amendment.

I reiterate that if the amendment is adopted, we shall offer supplementary amendments diminishing the amount for Europe by this amount. So it is not our intention to increase the total appropriation.

Mr. BENTON. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. BENTON. Was the distinguished Senator from Illinois in the Chamber

yesterday when, in a colloquy between the Senator from Minnesota and myself, it was established that 600,000 more immigrants are expected in the next 3 years?

Mr. DOUGLAS. That is correct.

Mr. BENTON. And that a comparable percentage of immigration to this country would be 70,000,000 people in the next 3 years, coming to the United States?

Mr. DOUGLAS. The Senator is correct.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. IVES. As the distinguished Senator from Illinois and the distinguished Senator from Illinois and the distinguished senior Senator from Ohio undoubtedly are aware, the bill providing a \$150,000,000 grant-in-aid for Israel is not likely to be approved by this Congress. Is that the Senator's understanding?

Mr. DOUGLAS. The Senator is correct. This is a substitute for the original bill.

Mr. IVES. This is the only chance we shall have to vote in favor of aid for Israel.

Mr. DOUGLAS. The Senator is correct.

Mr. IVES. In that connection, it seems to me that this amount is not sufficient, but certainly there is need for as much as \$50,000,000.

Mr. DOUGLAS. I am glad that the Senator from New York makes that point, because a total of 36 Senators acted as joint sponsors of the original bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I should like to get the Senator's observation on this point: Does the Senator believe that the money which the people of Israel have been able to obtain through the solicitations or efforts of charitable organizations and individuals, as well as the money which they themselves raise in their own country, has been wisely spent? Does the Senator believe that they have actually received a dollar's worth of goods and services for every dollar that has been spent?

Mr. DOUGLAS. That is not only my judgment, but it is the judgment of the Export-Import Bank, which made a loan to Israel. The secretary of that bank, Mr. Sherwood, stated that he did not know of a country which had invested the funds loaned to it more effectively or economically than had Israel.

Mr. HUMPHREY. The Senator from Illinois was very much interested in the program of information and education. He has been interested in the point 4 program. Does not the Senator believe that the demonstration—I believe the Senator from Connecticut called it the pilot plant of democracy; I called it an experiment station of democracy in the Near East—does us more good, through precept and example as to what can be done with modern democratic ideals and modern technology, than any amount of propaganda or information we could send forth?

Mr. DOUGLAS. I quite agree with the Senator from Minnesota.

I yield the remainder of the time to the senior Senator from Ohio [Mr. TAFT].

Mr. TAFT. Mr. President, I was a co-author of the bill with the Senator from Illinois [Mr. DOUGLAS] providing for a grant of \$150,000,000 to the State of Israel. I have been interested in the development of Israel from the very beginning of my service in the Senate, and my interest goes back to the historic Balfour Declaration, in which both Great Britain and the United States essentially promised the establishment of the State of Palestine as a Jewish homeland.

I believe that the grant to Israel stands on its own feet as a method of obtaining freedom for a large number of people. The United States has frequently aided many small nations in their struggle for liberty. It has aided all the South American nations. So far as the Jews are concerned, for many years they could not obtain freedom in their own countries. There was no way in which they could obtain freedom except by the establishment of an independent state. There may be some question as to whether it should have been Palestine or another state. The freedom of such states has been the policy of the United States, and it has been a justified policy. It has always been a justified policy of the United States to establish freedom for a large number of people throughout the world.

When Hitler came along, with the persecutions which he instituted, we found the thesis to be true that there was no way in which these people could have freedom unless a separate state was established, or unless we ourselves were willing to take them, which we were not.

Therefore it seems to me that the grant to Israel stands on its own feet, independently of any other general aid or any other program. As a matter of fact, we have a general aid program, and as a part of that program it seems to me that Israel can properly be included, and should be included.

As to the exact amount, it seems to be clear that economic aid in this particular bill for the Middle East is far down and far out of proportion when considered in connection with the proposed military aid for Europe. So far as I am concerned, I want to add \$37,500,000 for the Middle East, most of which would go to Palestine; \$10,000,000 would go to the Arabs, and the other \$27,000,000 to the State of Israel. I want to take that amount from the European economic aid provision.

Mr. President, I believe we have received direct financial assistance from the State of Israel, because they have taken 600,000 refugees, who would largely have had to be supported by the United Nations. To the United Nations we contribute 80 percent of the money which would have been used for such support. So there has been in this case direct financial assistance to the United States.

I submit, therefore, that even after taking the amount away from the Euro-

pean economic aid proposal, the Middle East would get only \$122,000,000. Economic aid to the Middle East is as important as it is in Europe. European production has already reached the level of prewar production. In the Near East it is below the prewar level, except in Israel. The economic problems in the Far East are far more encouraging to communism than are the economic problems of Europe.

In the military field the general position of Israel in the Middle East is vitally important. If we should have war with Russia it would be necessary in some way to defend the Suez Canal, our air bases in Africa, and the uranium fields in the Congo. The military defense would have to be placed somewhere in the neighborhood of the Suez Canal. The State of Israel therefore is of great value. They are good fighters. They fought for and established their freedom without anyone's assistance. Therefore it seems to me that we should give this assistance to a state which is struggling with the problem of a tremendous influx of people. As many have come into that country as there were before immigration started. This would justify a change in the general allocation of funds as suggested by the Senator from Connecticut.

Mr. IVES. Mr. President, does the Senator from Ohio know of any other nation in the world whose welfare is more important to our own national defense than that of the State of Israel.

Mr. TAFT. I believe that is a broad statement. I believe that the State of Israel, considering its size, is as important as any other country. Of course I would not want to say that it is more important than the British Empire, for example.

Mr. IVES. Does the Senator from Ohio know of any other nation which occupies a more strategic spot in Europe than does Israel?

Mr. TAFT. It certainly occupies a key position, which must be defended if communism is not to spread throughout the world.

Mr. DOUGLAS. Mr. President, I yield 3 minutes to the Senator from Maine.

Mr. BREWSTER. Mr. President, without duplicating what has already been said, there are two aspects about Israel which interest me very much. The first aspect is that the very first throes of the Nation were accomplished in the face of unparalleled difficulties. The second is that it has contributed so materially to its substance. I do not believe that in all the history of the world individual concern has been evidenced to a greater degree than it has been by the story of the past 25 years in bringing Israel into being. I had occasion to see it in operation around this country and to note that \$200,000,000 was voluntarily contributed by people, many of them in modest circumstances, to the welfare of a people with whom they were in no way associated and with whom they were not acquainted. They were people of the same race in most instances, but they were not people of this country. It always impressed me that if there could be a similar outpouring of

manifestations of human benevolence in many of the other countries with which we have been concerned it would be most beneficial indeed.

They went on for 25 years with practically no assistance from this country, in spite of the repeated pledges of all of our Presidents, who had indicated their interest, and in the face of the obstruction of the British Empire. They were compelled to pass through a crucible which in my judgment was utterly unwarranted and indefensible. Finally their birthday came, and that, too, in spite of unparalleled obstruction.

Now as a new nation on earth, situated, as was pointed out, in a strategic spot, demonstrating their capacity to defend themselves against the attacks of very much larger groups, they have demonstrated their right to independence. Immediately they became a haven for millions of unfortunates who were thrown out of Eastern Europe. They have found literally a heaven, which is apparent to anyone who has visited the country. They are going forward and contributing of their substance. It is as though we had 20,000,000 people cross our borders. Israel is absorbing people who otherwise would be dependent on the benevolence of other people. Therefore I feel that Israel is entitled to consideration by the people of the United States.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair.) The time of the Senator from Maine has expired.

Does the Senator from Georgia control the time on behalf of the committee on this item?

Mr. RUSSELL. Mr. President, I did not hear the time assigned to me. However, I shall be happy to take a few minutes of the time. I was not on the floor when the time was assigned to me. If it was assigned, I shall take some of the time in support of the committee's position.

The PRESIDING OFFICER. Fifteen minutes is available to that side.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McKELLAR. I should like to know whether the amount of the authorization mentioned in the amendment—\$50,000,000, I believe—is to go solely to Israel.

Mr. RUSSELL. I understand there are in the amendment two items, one of \$50,000,000 for the Arab refugees who have been driven out of Israel by the Israelite troops, and the other an authorization of \$50,000,000 to go to the State of Israel to assist it in dealing with persons who have been refugees or who have moved into Israel. In the bill as reported there are two items, one an authorization of \$40,000,000 for the Arab refugees from Israel, and the other an authorization of \$40,000,000 for the Jewish people who have been refugees from other lands and have moved into Israel.

Mr. McKELLAR. I should like very much to vote for the authorization for the Jewish people. Are the provisions separate ones? Can we have a separate vote on each one of them?

Mr. DOUGLAS. Mr. President, I may say to the eminent Senator from Tennessee that the amendment is directed to the entire section, increasing equally the amount of the authorization for Israel and the amount of the authorization for the Arabs.

Mr. McKELLAR. I should like very much to vote for the amendment providing the authorization for the Jewish people.

Mr. RUSSELL. Mr. President, in the time which has been assigned to me in my absence, I shall make a few comments in respect to this amendment.

I am well aware of the tremendous appeal the amendment carries. The remarkable exploits of the Jewish people in their return to their old homeland in Palestine, their efforts to rehabilitate the land, to repair the ravages of nature to the land to rebuild its economy, and to establish industry have excited the admiration of the entire world.

The desperate plight of the several million Arabs who have been driven from their homes in the wake of war in Israel is one of the great tragedies in a world which is almost inured to tragedies to human beings because of the sufferings which have been witnessed in the past several years.

Mr. McKELLAR. Mr. President, the great amount of suffering there was due to the attacks by the Arabs. Now it is proposed that we give relief to both the Arabs and the Jews. I should like very much to vote for one part of the amendment, if I can do so.

Mr. RUSSELL. I have no control over that, Mr. President; the Senator from Illinois offered the amendment.

I may say that I doubt whether the Arab refugees attack the Jews to any great extent. Certainly the Arabs were fighting the Jews in Palestine; but the Arab refugees who had been living in that area were compelled to leave because of the movement of the Jewish armies.

Mr. President, as I have said, this item is a very appealing one. However, before the vote is taken I wish to point out to the Senate that the \$40,000,000 already authorized in the bill for the benefit of Israel is the only authorization which was not requested by the executive branch of the Government or approved by the Bureau of the Budget. Congress is demanding great economy in other items, and has made a 30-percent reduction in the items of economic aid for all the other nations of the earth, and has made a 5-percent reduction in the items of arms or military aid. Furthermore, by means of the economy drive, Congress has caused serious attacks to be made upon the appropriations for permanent improvements in the United States which have been allowed by the Bureau of the Budget. Congress has done that despite great complaint about the failure to build public highways and public-works projects in the United States which were authorized by the Bureau of the Budget. This item is the only one in the bill which was not authorized by the Bureau of the Budget.

Mr. President, in my judgment the action of the committee in this instance

should be sustained. Not only is this the only item in the bill which has not been justified by the Bureau of the Budget, but it is the only item to which the 30-percent reduction in economic aid was not applied.

We have already reduced by 30 percent all the other economic-aid authorizations contained in the bill, except in the case of the item for aid to Israel and the item for aid for the Arab refugees.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. DOUGLAS. However, the authorization voted by the House for economic aid was reduced by 30 percent.

Mr. RUSSELL. Oh, yes; in the committee we did cut by 30 percent the overall figure, but—

Mr. DOUGLAS. The House figure was cut; yes.

Mr. RUSSELL. But we did not cut by 30 percent the item of authorization for aid to Israel; we reduced it only from \$50,000,000 to \$40,000,000.

Mr. DOUGLAS. In other words, that was a 20-percent cut.

Mr. RUSSELL. However, in the first place the item was not justified by the Bureau of the Budget and it was not recommended by the President. The Congress inserted this item of its own volition.

Then, when the economy horses came traveling along, and when it was said that cuts were to be made generally, we did not apply the knife to this item for Israel as deeply as we applied it to the other items, even though this item had no justification by the Bureau of the Budget.

In the hearings before the committee it was pointed out that loans from the Export-Import Bank in the sum of \$135,000,000 had already been made to the State of Israel. That is not an inconsiderable sum of money. It is quite a substantial sum of money to have been made available to Israel by way of loans.

Furthermore, I wish to point out that the economic aid which is provided in this item is exclusive of, and is over and above, the \$40,000,000 which is earmarked, and as to which the Senator from Ohio [Mr. TAFT] and the Senator from Illinois [Mr. DOUGLAS] meet with hands clasped across the aisle in their wish to increase the item to \$50,000,000. However, other economic aid there is involved; and the testimony before the committee was to the effect that Israel will secure the lion's share of that economic aid. Israel was to receive \$23,000,000 from those funds.

Mr. DOUGLAS. Israel would have received \$23,000,000 on the basis of the figure voted by the House. However, on the basis of the bill as reported by the committee, Israel would receive only \$15,000,000 of the amount, after the 30-percent reduction was made.

Mr. RUSSELL. I believe that was the estimate; but Israel will get a substantial proportion of that amount. A 30-percent reduction was made, and I understand that the Senator from Illinois proposes that the original amount be restored.

Mr. DOUGLAS. Yes; in order to increase the amount to \$60,000,000, but not to restore the figure voted by the House.

Mr. RUSSELL. So the Senator from Illinois proposes to give further preferential treatment to Israel.

Mr. DOUGLAS. Oh, no.

Mr. RUSSELL. Yes.

Mr. DOUGLAS. No; Israel will get the increased total, but there will be no preferential treatment at all in the case of Israel. It is intended that there be absolute parity as between the Arab States and Israel.

Mr. RUSSELL. That may be; but if Israel receives an increase in the original total, that would certainly constitute preferential treatment, because that item would not then be diminished by reason of the 30-percent reduction which was applied to all the other items for economic aid. In fact, there has been a reduction of more than 30 percent in the items of economic aid for Europe.

Mr. President, I believe that many of these countries are in dire straits. I say that there is a great deal of misery and human suffering over the face of the globe. I have been in the Arab countries in the Middle East, where people are living in conditions of indescribable poverty and privation. Had I not seen it with my own eyes, I would not have believed that people could have lived in such degradation. One would have thought that their despair would have been so great that they would have rushed into the waters and drowned themselves. But we must proceed with our assistance on an orderly basis.

Mr. BREWSTER. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. Mr. President, I have but very little time. However, I will yield to the Senator for a question.

Mr. BREWSTER. Is it not a fact that within the past 5 years the annual revenues of the Arab countries have greatly increased, and particularly the revenues of Saudi Arabia—in the latter case, from \$10,000,000 a few years ago, to more than \$100,000,000, today?

Mr. RUSSELL. Yes, I understand that is true, and great progress is being made there. Other aid is being extended. I assume there is some little money in the bill for Saudi Arabia; I am not sure. As I recall, it is either \$2,000,000 or \$3,000,000. This is an item in which thousands of people are interested.

The Republic of Israel has sold many bonds in this country and those of our people who desired to contribute or invest in the future of Israel have had their opportunity to do so personally. I think there is a bond drive on now for about \$330,000,000 or \$400,000,000.

Despite the appeal of the amendment offered by the Senator from Ohio and Senator from Illinois, for my part, on the facts presented, I cannot justify extending this preferential treatment. I do not think it can be justified.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield to the Senator from Louisiana.

Mr. LONG. What is the population of Israel? Does the Senator recall?

Mr. RUSSELL. I regret that I am unable to answer the question.

Mr. DOUGLAS. It is 1,300,000, at present, and it will be 2,000,000 within the space of 3 years.

Mr. LONG. Are we to understand that, all in all, the authorization is about \$2,000,000 for a population of 2,000,000 people?

Mr. RUSSELL. No.

Mr. LONG. That is, if we include Export-Import Bank loans.

Mr. RUSSELL. Yes, if we include the Export-Import Bank loans, that is correct.

Mr. President, there is great interest in this item. All of us have had constituents who have appealed to us to support not only the increase suggested by the Senator from Ohio [Mr. TAFT] and the Senator from Illinois [Mr. DOUGLAS], but we have also had appeals made to us to introduce a bill such as the one those two Senators are sponsoring, to give Israel \$150,000,000 as a grant. But at this time, when we are endeavoring to provide a well-balanced program, it seems to me that the Senate would do well to reject this amendment and stand upon the action of the committee, because the committee action, as I have pointed out, gives preferential treatment to Israel. It gives \$40,000,000 which the President did not request, and which the State Department did not request, but which originated in the Congress of the United States, in addition to the other items for Israel which are contained in the bill.

Mr. President, I yield to the Senator from Oregon [Mr. MORSE] such time as remains of the time which was assigned to me.

Mr. MORSE. Mr. President, I only need half a minute. I simply wish to say that there is a very distinguished businessman in Oregon, Mr. Arthur M. Churchill, who has just finished an extensive visit and study in the Middle East. He does not share the view of the junior Senator from Oregon in regard to the Israel problem. He has submitted the findings of his study of the Middle East, with the request that I extend the courtesy to those who share his point of view of having his findings placed in the Record. I am very happy to do that, because I have always tried to be exceedingly fair on controversial issues with those who disagreed with me, as well as with those who agreed with me. I am sure we will find in this report a good many things which will bear out the position taken by the Senator from Georgia [Mr. RUSSELL]. I shall, however, support the amendment of the Senator from Illinois.

Mr. President, I ask unanimous consent to have incorporated at this point in the Record the argument presented by Mr. Churchill, on the basis of his study and examination of the problems in the Middle East.

There being no objection, the statement was ordered to be printed in the Record, as follows:

To Members of the United States Senate:

Will you do me the honor of reading the enclosed before voting on the pending mutual security bill, H. R. 5113.

I am a retired lawyer and farmer of Portland, Oreg., solely a private citizen. I have just returned from a year abroad, spent mostly in the crowded parts of the world—India, Egypt, Greece, south Italy and the Middle East, including Palestine.

While they may completely and earnestly disagree with my views on section 205, Senators MORSE, CORDON, DOUGLAS, and BUTLER of Nebraska all know me well enough to vouch for my sincerity and that I try to observe facts honestly.

When figures in parentheses occur in the enclosed memorandum, they refer to pages in the highly significant hearings before the House committee. Unfortunately these hearings were not printed until after the House committee had taken action. But there is still time to read them. In particular I hope Senators will read the very convincing testimony of Hon. George C. McGhee, Assistant Secretary of State for the Middle East, on pages 735 and 853 et seq.

Very respectfully yours,

ARTHUR M. CHURCHILL.

AUGUST 29, 1951.

NOTE.—This morning's New York Times, page 14, seems to confirm the danger I have pointed out in the enclosed memorandum.

The World Zionist Congress is now meeting in Jerusalem. A unanimous resolution was adopted yesterday calling for the gathering in of the exiles into their historic home or Eretz Israel (which means land of Israel). This, in the majority motion, was taken to mean all of Palestine.

This would appear to mean war on the Arab world. And American non-Zionist Jewish citizens are apparently waking up. Mr. Jacob Blaustein, heading the American Jewish Committee, points out that if a radical course is pursued, "it would cause a cleavage between United States Jews and most of them would fight Zionism."

Sensors may well ponder this before they vote to single out Israel for disproportionate aid.

SECTION 205 IS A VERITABLE POWDER KEG

In the absorption of Congress in the billions provided in the mutual security bill section 205, adding \$40,000,000 for aid to Israel, seems to pass unnoticed. In fact, it may be crucially dangerous to the United States.

The State Department gave tireless thought to balancing aid so that no one could accuse the United States of favoritism in the delicate relationships of the Middle East. This \$40,000,000 completely destroys that balance, as I am pointing out in detail herein.

And this was the only sum added in the House committee, and in its last weary hours. A billion dollars was cut from the bill, as being beyond our resources. Then in the very face of that cut \$50,000,000 (now cut to \$40,000,000) was added for aid to Israel, out of all proportion to anything else in the region as I show below.

THE MIDDLE EAST IS CRUCIAL

It is universally known that the Middle East is a critical and dangerous zone. Mr. Berle dwelt on that before the House committee. Representative McCORMACK emphasized it on the floor of the House (CONGRESSIONAL RECORD, p. 10381). Not only does that vast region have 50 percent of the world's oil reserves, but it has the Suez Canal, air base locations which may prove decisive, the only land bridge to Africa and its critical minerals, and the only oil bunkering possibilities for a great fleet between Java and Venezuela.

World war III may come at any time. Millions of American youth in that event will have to fight. All America will be at stake. No statesman would willingly and needlessly send a single son of the United States to his death in such a war. Surely he will not thoughtlessly vote for this section 205, which may well become a Middle East Yalta. If it loses us the support and use of that

critical region, we may well pay in countless casualties.

SENATOR CONNALLY IS RIGHT

"We can't go on supporting countries all over the world with handouts just because we like them—or for any other reason."

Senator CONNALLY, in Sunday's press, thus states fundamental economics. Our American surpluses, while substantial, are negligible in terms of the world's needs. The most we can do is to help great underdeveloped countries to help themselves.

The world is filled with tragedy, starvation, and misery. India, China, Korea, Egypt, and the whole Arab world exist on a level which Americans cannot conceive until they see it. Even Japan, Greece, and south Italy face an excess of population of which we have little idea.

BUT WE MUST AVOID PLAYING FAVORITES

Since our help must be limited, we must take exceeding care in the present explosive condition of world affairs not to make one nation a pet or favorite out of all proportion to its neighbors, and that is acutely true in the Middle East, where hatred of Israel is bitter beyond anything we can imagine. Israel is conceded to be a friction spot and to tie the United States as a partner to what has occurred there would be suicide.

Moreover, while Israel, in its trying to set up a European status for its people in the middle of the extreme poverty of its neighbors, has created for itself an economic unbalance; its people are still incomparably better off than the great crowded peoples of the world, and notably than the 40,000,000 Arabs all around it.

Nazi persecution of Jews properly aroused the world's horror. But other factors enter, too. Death, in any event, comes sooner or later to all of us. In World War II it came to millions of non-Jews, as well as Jews in Poland, in England, in Russia—to the soldiers of all the nations. Today the DP camps are practically emptied of Jews. But the tortured, uprooted, pitiful multitude of 900,000 Arab refugees still drag on their existence in tents and caves, on bleak rocky hillsides or in the desert, without hope or respite. They have been displaced from Israel to make room for a like number of Jews, who occupy their own Arab homes. Israel positively refuses to let them come back home, which is all they live for. Their condition is perhaps much worse than death, even in gas chambers. Just before his death the late Admiral Sherman warned the House committee (p. 768 of hearings):

"Today there is an uneasy peace in the Middle East, and the existence of destitute hordes from Palestine produces a political and economic situation fraught with danger. Hunger, cold, lack of shelter, and lack of work lower the resistance of those who would normally shun the ideology of the Kremlin."

My own brief experience in Palestine in January and February was like that of all others who have traveled in that area. I shall never forget the greeting I received in one of the pathetic Arab refugee camps. "This is what you did to us." "This is what the United States and the United Nations did to us." They can look across the barbed wire and the rubble, and see Israeli immigrants from all over the world living in their own Arab homes, which they themselves may not so much as visit (1227, 1228). Even those well educated and of high culture must go in bread lines, year after year, for a scant United Nations charity ration, and sleep in caves or on rocky hillsides in charity tents from armies. I wonder what the Senators who read this would do if anyone did that to them. Says the leading editorial of the New York Times of July 23:

"Virtually every observer and traveler to that region testifies to an anti-American sentiment that we cannot deny or ignore. The chief problem in the Middle East is, of course, the hostility engendered by American

aid in the creation of Israel. And the hard core of that problem is the existence of 900,000 hopeless, helpless, miserable refugees from Palestine."

It is pathetic that while little Israel, financed by great American Zionist wealth, maintains 12 separate agents, or lobbyists, registered officially with the Department of Justice, it remained for Clarence Pickett, of the American Friends Service Committee; Walter Van Kirk, of the Council of Churches; and Msgr. Thomas J. McMahon, of the Catholic Near East Welfare Association, to present the tortured condition and bitterness of the Middle East. I trust that before voting Senators will, above all, take time to read their testimony on pages 1224 to 1262 of the House committee hearings.

AMERICAN AID TO ISRAEL IS GROSSLY PARTIAL

Calling legislation equality does not make it such. Words often conceal facts. Stalin calls Russia a democracy. But that does not make it democratic. Then is our treatment of Israel and of the Arab world truly impartial? Let us look at the record:

1. In the House committee, Mr. VORVY, of Ohio, figured (p. 680) that the mutual-security bill, as it then stood, provided \$7.22 per capita for Europe, \$1.03 for the Middle East, 59 cents for southeast Asia, and 16 cents for the Orient.

By comparison, Israel, in the bill as it came from the administration, would receive \$23,500,000 for 1,300,000 Jews, (677) carefully planned (741) to fill the gap in their economy. That would be \$18 per capita, compared with \$1.03 for their neighbors.

But Israel was not yet satisfied. Section 205 was added in the last hours of long committee sessions, giving Israel \$50,000,000 more. This was reduced to \$40,000,000 by the Senate committees, but that is still \$30 more per capita. It is true that section 205 calls this refugee relief. But if it saves Israel \$40,000,000 on its immigrants, the Israel budget itself can spend that much more on its swollen army or other finance.

Section 205, then, gives Israel a total of \$48 per capita, as compared with \$1.03 per capita for its neighbor Arabs. Surely none of us thinks that is equality.

2. But grants-in-aid are only a small part of what we are giving. The Export-Import Bank is generous, too. It has granted Israel a loan of \$135,000,000 for 15 years at 3½ percent. I see no possibility of Israel ever having sufficient exports to repay this loan. I think it will ultimately come out of American taxpayers. But, in any event, Israel is right now in process of receiving this huge sum from us, or \$100 per capita more.

Then \$23,500,000 was given her in surplus agricultural commodities. (648.) That is \$17 per capita more.

By Zionist statements (661), American Jewish drives have sent to Israel \$415,000,000 in money privately subscribed, or \$319 still more per capita. And currently a bond drive is on in the United States to sell \$500,000,000 additional in Israel bonds, which will make available \$370 per capita more.

Entire Israel aid, from America, then, adds up to about \$854 per capita, against Mr. VORVY's figure for the entire area of \$1.03 per capita. Sponsors perhaps can see equality in this. I am unable to do so.

Relief costs seem equally distorted. Israel requires \$250 per person to care for an immigrant till he is permanently settled. But the United Nations is feeding these 900,000 Arabs, proud but reduced to a bread-line, for \$2 a month apiece, or \$24 a year. Wherein is that just or equal? And the United States is asked to finance part or all of the \$250.

4. For resettlement costs of a Jewish immigrant, Israel says it must pay out \$2,500. But Arab resettlement, even when and if worked out, only is expected to cost \$1,000 per family of five, or \$200 per capita. Representative Roosevelt (760, 761) could not un-

derstand why \$2,500 should be required for the Jew, from Yemen, for instance, and only \$200 for the Arab. Assistant Secretary of State McChes, in reply, says:

"The difference is the difference in standards of living. The Jew is a European and, as a result, he desires to live in a modern house or apartment. His whole standard of living, his food and his clothes, are all gaged to European standards. Most of the Arabs are used to living in a hut, made of mud, on low rations and with relatively simple clothing."

We certainly should approve this, if the man himself can pay for it. But it is difficult to see how Congress can justify paying for the difference. Moreover nearly all postwar immigrants are either from Africa, Asia, or east of the iron curtain. The Jews of Poland, Rumania, or Bulgaria are not used to too high a standard. And certainly those of Yemen and Iraq have not lived in any different world from their Arab neighbors. The Gordon Clap report to the United Nations, part I, page 55, says:

"Immigrants have reached Israel from almost all over the world. But although the present inflow comes chiefly from Arabia and North Africa, the Israeli way of life has already been set along western lines, largely by Jews from Central Europe."

5. Per capita income tells a like story. Israel's per capita annual income averages \$385, against \$50 in the Arab States (761). Why should the American Congress concentrate its relief on the higher bracketed income?

7. The relative numbers maintained in tents tells a like story. Israel is disturbed because its immigration is so rapid that a margin of 100,000 remains usually, at any given time, in tents. But the 900,000 of Arabs in tents or worse is chronic, with no relief in sight. They have been there for 3 years. They can look across the barbed wire and see Israel's Yemen and Polish immigrants living in their own Arab homes, which they may not even visit. And Israel is adamant in not letting them return.

Sponsors owe it to the American people to explain why, in these circumstances, our total American financing of Israel is nearly a thousand times as much per capita as for the Arab world.

TO CALL THIS \$40,000,000 GRANTS-IN-AID "REFUGEE" RELIEF IS MISREPRESENTATION

Section 205 is a counsel of despair. Last fall Zionists loudly proclaimed they would come to Congress for \$500,000,000 in a loan or free grant. By April their ardor had cooled a little. Then, in a 5,000-word message, the Israel state itself came officially to ask for \$150,000,000. This was not at all for "refugee" relief, but to balance its collapsing economy. Its currency was depreciated to about 30 percent of its par value, in terms of dollars.

But handouts are increasingly less popular. Even the Congressman who put into the Record long partisan questioning in behalf of Israel, rather destroyed his own case when he said, on page 1237:

"The only basis on which we can use the taxpayers' money, as you know, is for the prime interest and defense of the United States of America, not in casting bread upon the waters."

Mr. Ben-Gurion himself destroys this fraud of so-called "refugee" relief, when he was quoted in the private diary of Mr. James G. McDonald, then American Ambassador to Israel, of July 29, 1950, in language which every Senator should read and ponder:

"Eban, he [Mr. Ben-Gurion] said, was returning to the United States to sound out the practicability of financing a plan to speed up immigration so that Israel might have a population of 2,000,000 within 2 years and to increase and reequip the Israel Army. He knew that the huge sums necessary could not be raised unless our Government were

sympathetic. A billion dollars from private gifts and from public and private loans would be required."

This is quoted from page 227 of Mr. McDonald's remarkably frank book, which just came to the bookstores, entitled "My Mission in Israel." Personally I think the book will be most embarrassing to many in high places. I do hope it will be widely read.

In the face of such statements as this, and of Mr. Eban's own diagnosis of the program in page 654 of the House hearings, it is deceiving the American people and its Congress to cloak this \$40,000,000 as "refugee" relief, as an offset to the United States share of feeding the Arab victims \$2 a month per capita.

IS ISRAEL STARTING FOR THE EUPHRATES?

This morning's New York Times, August 29, page 14, quotes a dispatch from the World Zionist Congress now meeting in Jerusalem. It unanimously adopted a resolution calling for "gathering in of exiles in Eretz Israel." Eretz Israel, or "Land of Israel," the dispatch says, is "taken to mean all of Palestine." It is not surprising if Mr. Jacob Blaustein, of the non-Zionist American Jewish committee, insists that most American Jews will fight Zionism if any policy is adopted meaning gathering in of the exiles in the sense of the whole of Israel to their "historic home."

The Revisionist Party, now called the Heruth, political successor to the Irgun, have never been satisfied with the present boundaries. Their original program called for going to the Euphrates, taking everything from the Mediterranean to the Red Sea (861, 862). Mr. Ben-Gurion has contented himself with defying the United Nations on the Internationalization of Jerusalem and the return of the refugees. But recently in America he broached the idea of bringing 4,000,000 more Jews to Israel in the next 10 years, at a cost of \$7,000,000,000. That sounded also like expansion.

The Arabs generally believe that Israel is preparing for an aggressive war (1234). The Huleh marsh drainage is interpreted as a step to prepare an easy way to march into Syria. The Zionist Congress reproached American Zionists for not coming to Israel, or at least sending their sons as pioneers. Since everybody is given military training, including the women, that looks like American youth for cannon-fodder.

The Zionist statement (646) holds out to the Arab world an army, navy, and air potential of 200,000. Why such a disproportionate force, if Israel contemplates peace? Mr. Ben-Gurion's statement of last July to Mr. McDonald quoted on the previous page is proof-positive, if any were needed.

All this is pointed at the Arabs. And we wonder why our hasty recognition of Israel aroused distrust and bitterness all over the Middle East. Surely the Senate will ponder all this before it votes.

POLITICAL ZIONISM HAS DESTROYED ITS OWN PEOPLE

For thousands of years, in Iraq since Nebuchadnezzar took them captive to Babylon, Jews have lived all over the Arab world in peace with their neighbors. Only 2 years ago, the American Friends Service Committee sounded out the Jews in Iraq. Their answer was: "Leave us alone. Don't rock the boat, and we will be all right (1239)."

But Zionism had done its deadly work. Israel's inrushing immigrants had displaced 900,000 fleeing Arabs, from their own homes to tortured tents, rocks, and a beggar's charity. Their sole desire was to return home. But Israel positively refused to permit them to come. Their houses were filled with the ingathering from all over the earth.

Israel, in its imperative desire for more soldiers, painted rosy pictures of life in Palestine to Yemenites and Iraqi Jews. The Governments of those countries were

Arab. They naturally bitterly resented the treatment of Palestine's Arab refugees. How far this was visited on the poor Jews of the Diaspora we do not know. But a large part of them registered to go to Israel. Airplanes were provided by American Jewry and they were flown out.

How serious is this end result of Zionism is shown when we are told there were 850,000 Jews in the Arab world. Dr. Schwartz of the United Jewish Appeal admitted it arose out of the Arab-Jewish war. Congressman Jacob Javits is still more frank:

"Now it is a fact, of course, that all this has come about since the establishment of Israel, but it is the old question of the chicken and the egg" (1239).

Is it any wonder that, not only great American Jews like Mr. Blaustein, raise questions, but that from Israel come expressions like the following:

"Misgivings, until a few months ago still confined to small groups, have increased considerably and are today voiced by the majority of the population" (from January Economic News, published in Tel-Aviv).

"A current joke in Israel: 'For 2,000 years we Jews have been hoping and fighting and praying for the return, and it had to happen to me'" (Time magazine of March 5).

"Zionist parents—in America—tremble at the thought that their children might become infected with the idea of emigration to Israel" (Eliahu Dobkin at Zionist Congress, New York Times, August 17, p. 8).

There is vastly more which might be added. But surely this is enough to cause section 205 to be eliminated from H. R. 5113.

Very respectfully yours,

ARTHUR M. CHURCHILL.

PORTLAND, OREG.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

Mr. DOUGLAS. I ask for a division.

The PRESIDING OFFICER. A division is requested. Those in favor of the amendment will indicate by rising.

Mr. LANGER. Mr. President, I request the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. As many as favor the amendment of the Senator from Illinois will stand, and remain standing until counted.

Mr. LANGER. I suggest the absence of a quorum.

Mr. CONNALLY. Mr. President, I submit that is not in order to interrupt the vote.

The PRESIDING OFFICER. Those opposed to the amendment of the Senator from Illinois will rise.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on agreeing to the committee amendment, as amended. [Putting the question.]

Mr. McFARLAND. Mr. President, has the bill been read the third time?

The PRESIDING OFFICER. We have not yet reached that point.

Mr. LONG. Mr. President, I would like to call up my amendment.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Did I hear the Presiding Officer announce the result of the vote and the final determination of the recent amendment?

The PRESIDING OFFICER. That is correct. It was agreed to.

The clerk will state the amendment of the Senator from Louisiana [Mr. LONG].

The LEGISLATIVE CLERK. On page 44, line 6, it is proposed to strike out "\$5,043,350,000" and insert "\$4,043,000,000."

Mr. LONG. Mr. President, I desire to modify my amendment by making the latter figure \$4,793,350,000.

Mr. President, this will amount to a cut of \$250,000,000 in the military aid. It is the opinion of the junior Senator from Louisiana that some Senators who would not vote to cut the economic aid would be willing to reduce some of the more than \$5,000,000,000 which we propose in military aid for Western Europe. Senators will note that in the committee we cut the proposal for economic aid by 30 percent, but we cut the proposal for military aid only by 5 percent.

I have pointed out heretofore that none of these figures are particularly definite or related to any particular amount, and the justification for all these items was by way of saying, "Well, we would suggest that we put so much into one thing, and so much into another; we might possibly want to spend several hundred million dollars for this particular country, and several hundred million dollars for another; but, in another country, it might be desired to use the money in another way, or make a different arrangement."

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. LONG. I would like to complete my statement, first.

Mr. KILGORE. I wonder whether the Senator is aware of the fact that the budget estimate on military aid—and that is what I am interested in, I may say to the distinguished Senator from Louisiana—is based upon current prices of such military aid. It is also based upon the completion of our defense mechanism as of the end of 1954, and any cuts which we make in military aid are going to deter and sew up the preparedness program in Western Europe in 1954. If we expect to go ahead, we will eventually have to pay it.

Mr. LONG. Mr. President, I regret that I cannot yield further to the Senator, because my time is limited, and the Senator can make his statement in the time allotted to the opposition. I believe he disagrees with the position I am taking.

Mr. President, these figures are completely flexible. Senators will note from reading the bill that there are various clauses in the bill which would permit funds to be shifted, not only from one nation to another, but from one title to another, or from one section of the law to another, and to be shifted in the most flexible manner. The pending amendment is a proposal to increase the cut in military aid for Western Europe to about 10 percent.

Since none of this money has been earmarked for any particular thing, this would merely be reducing by another \$250,000,000 the more than \$5,000,000,000 we have earmarked for Western Europe.

We should realize that this is not going to be a short-run program. Senators have said on the Senate floor today that Russia might attack tomorrow. Mr. President, it is very well that we realize that if a war broke out within the next 6 months, or within the next year, none of the money authorized in this bill to be spent would do any particular good, because large deliveries could not be made in so short time as that, and this bill is a part of the long-range program.

It is well that we consider that this is really only the beginning. Of course, over a period of time there will be many additional billions of dollars which we shall be called upon to appropriate. It is the opinion of the junior Senator from Louisiana that this program will never be successful until Germany is associated with the North Atlantic Pact, and that when that time comes we will have to contribute millions of dollars to help Germany. I expect that we will have to be paying 50 percent more than we are now paying.

The North Atlantic Pact nations are not obligated to fight if war breaks out in Turkey or in Iran. We should realize that in the end we may be compelled to rely solely upon ourselves, and we should keep our own Nation strong in order to do that. That is one reason why we should stay strong economically as well as militarily. If we are going to take the attitude that the requests for military appropriations are more or less sacred, and that we simply cannot save a nickel and cannot cut down, even by 5 or 10 percent, on billions of dollars not earmarked for any specific purpose, then it would seem to the junior Senator from Louisiana that the taxpayers are in a hopeless position, because the military have shown us that they will ask for tens of billions of dollars without batting an eye. There are many of these items which we can study, and we shall probably find that great savings can be made. It seems to me that we are going to have to trim down some of these items where we think we can safely do so.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MUNDT. I did not get the purport of the modification of the amendment which was made.

Mr. LONG. With the modification, there would be a reduction of \$250,000,000.

Mr. MUNDT. In other words, it would be reducing the military aid the same amount we have reduced the economic aid?

Mr. LONG. No. In the committee we reduced the economic aid by 30 percent and reduced the military aid only 5 percent. This would be a reduction of 10 percent in the amount originally requested.

Mr. MUNDT. The same amount which the economic aid was reduced by Senate action?

Mr. LONG. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG], as modified.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

Mr. LONG. I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk resumed the call of the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the call of the quorum be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER. (Mr. CLEMENTS in the chair). Without objection, it is so ordered.

Mr. LONG. Mr. President, I ask for the yeas and nays on my amendment to the committee amendment.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. LONG] to the committee amendment.

Mr. STENNIS. Mr. President, may we have order?

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. McFARLAND. Mr. President, no business has been transacted since the last quorum call, has there?

The PRESIDING OFFICER. Yes. The request for a quorum call was withdrawn.

Mr. KILGORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KILGORE. Is this a quorum call or a vote?

The PRESIDING OFFICER. It is a quorum call.

The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hendrickson	McMahon
Bennett	Hennings	Millikin
Benton	Hill	Moody
Brewster	Hoey	Morse
Butler, Md.	Holland	Mundt
Capehart	Humphrey	Murray
Carlson	Hunt	Nixon
Case	Ives	O'Mahoney
Clements	Johnson, Colo.	Pastore
Connally	Johnson, Tex.	Robertson
Cordon	Johnston, S. C.	Russell
Dirksen	Kem	Schoeppel
Douglas	Kerr	Smathers
Duff	Kilgore	Smith, Maine
Dworshak	Langer	Stennis
Eastland	Lehman	Taft
Eaton	Long	Thye
Ellender	Magnuson	Underwood
Fear	Martin	Watkins
Fulbright	Maybank	Welker
George	McCarthy	Young
Green	McFarland	
Hayden	McKellar	

The PRESIDING OFFICER. (Mr. SMATHERS in the chair). A quorum is present.

Mr. LONG, Mr. LANGER, and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Iowa [Mr. GILLETTE], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Maryland [Mr. O'CONNOR] is absent because of a death in his family.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Nevada [Mr. McCARRAN] is paired on this vote with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Alabama would vote "nay."

The Senator from Arkansas [Mr. McCLELLAN] is paired on this vote with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from West Virginia would vote "nay."

I announce further that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Iowa [Mr. GILLETTE], and the Senator from Tennessee [Mr. KEFAUVER] would vote "nay."

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent. If present and voting, the Senator from Nebraska [Mr. WHERRY] would vote "yea."

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif. If present and voting, the Senator from Iowa [Mr. HICKENLOOPER] would vote "yea."

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], and the Senator from New Hampshire [Mr. TOBEY] would each vote "nay."

On this vote the Senator from Indiana [Mr. JENNER] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Vermont would vote "nay."

On this vote the Senator from Michigan [Mr. FERGUSON] is paired with the Senator from California [Mr. KNOWLAND]. If present and voting, the Senator from Michigan would vote "yea" and the Senator from California would vote "nay."

On this vote the Senator from Nevada [Mr. MALONE] is paired with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Nevada would vote "yea" and the Senator from Massachusetts would vote "nay."

The Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Nebraska [Mr. BUTLER], and the Senator from Delaware [Mr. WILLIAMS] are detained on official business.

The result was announced—yeas 23, nays 43, as follows:

YEAS—23

Bennett	Holland	Mundt
Brewster	Johnston, S. C.	Russell
Capehart	Kem	Schoeppel
Case	Langer	Smathers
Cordon	Long	Smith, Maine
Dirksen	Martin	Welker
Dworshak	Maybank	Young
Eaton	McKellar	

NAYS—43

Aiken	Hennings	McMahon
Benton	Hill	Millikin
Butler, Md.	Hoey	Moody
Carlson	Humphrey	Morse
Clements	Hunt	Murray
Connally	Ives	Nixon
Douglas	Johnson, Colo.	O'Mahoney
Duff	Johnson, Tex.	Pastore
Eastland	Kerr	Robertson
Ellender	Kilgore	Stennis
Fear	Lehman	Taft
George	Magnuson	Thye
Green	McCarthy	Underwood
Hayden	McFarland	Watkins
Hendrickson		

NOT VOTING—30

Anderson	Gillette	Neely
Bricker	Hickenlooper	O'Connor
Bridges	Jenner	Saltonstall
Butler, Nebr.	Kefauver	Smith, N. J.
Byrd	Knowland	Smith, N. C.
Cain	Lodge	Sparkman
Chavez	Malone	Tobey
Ferguson	McCarran	Wherry
Flanders	McClellan	Wiley
Fulbright	Monroney	Williams

So Mr. LONG's amendment was rejected.

Mr. SMATHERS. Mr. President, I move to reconsider the vote by which the amendment offered by me to restore \$6,750,000 to the appropriation for Latin-American countries for technical aid was rejected.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Florida.

The motion was rejected.

Mr. CONNALLY. Mr. President, I would be willing to take the amendment to conference.

The VICE PRESIDENT. The Senator cannot take something to conference if it is not in the bill.

Mr. CASE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from South Dakota will be stated.

The CHIEF CLERK. On page 60, after line 9, in the committee amendment, it is proposed to insert the following:

SEC. 506A. The President is advised that Congress looks with favor on proposals to form a Federation of the Free States of Europe. To advance this policy, the Administrator shall use his powers and duties under this act to—

(1) encourage the economic integration of the Free States of Europe;

(2) assist in the formation of a Continental Police Force to preserve the peace of Europe;

(3) require counterpart funds in local currencies from any country receiving aid under this act to be available to the United States for the procurement of strategic materials, acquisition, and improvement of property needed by the United States in those countries and for the acquisition of holdings or claims of European nations in the Western Hemisphere: *Provided, however, That counterpart funds received for aid assigned in turn by any country to the Federation of Free States of Europe shall be placed in the treasury of such Federation for expenditure as it may determine.*

Mr. CASE. Mr. President, I may say, first, that I hope it will not be necessary to use the full 15 minutes.

Mr. President, some years ago Mrs. Case and I were sitting in our home with the parents of a young man who had lost his life during the Leyte invasion. We were trying to say something that would help comfort them; we were trying to find an answer to the questions that always come when young lives are snuffed out seemingly before their time.

The father was a member of the American Legion. He had been a doughboy in World War I. We talked over the hopes of the young men of our generation in 1917 and 1918—that the efforts and sacrifices of that day would make the world safe for our sons. We talked of these parents' hopes for this boy and what this tragedy meant to them. Eventually they came to the position that if this meant a possibility that if the objective for which World War II was being fought would be accomplished, they could stand their loss. However, the father of the boy said to me, "You know, back in 1917 and 1918 we were told that we were going to Europe so that our sons would not have to go in their time." We were told that, Mr. President. We were to make the world safe for democracy. And when the high hopes of World War I turned to ashes, again the boys went in 1941 and the following years so that their brothers and sons would never have to go again.

But, Mr. President, American boys are going out for the third time. The father

of one of them called me this afternoon. His boy, who enlisted at the age of 17, has his orders to leave for Korea. So they are going out for the third time.

I said to the father who was in our home, back there in 1945, "What is the answer? What do you think is the solution to this round of wars?" He said, "Well, thinking it all over, I think there will never be any peace in the world until there is a United States of Europe."

That was the observation in 1945 of the one-time doughboy of World War I, the father who had lost his son in World War II, the war that never was to be.

I was intensely interested then, Mr. President, in going through the printed hearings of the testimony taken by the subcommittee of the Committee on Foreign Relations which went to Europe to come upon the following words of General Eisenhower spoken only a few weeks ago:

Personally I am very hopeful that many of our problems would disappear if this whole area of Western Europe were one federal union. I believe it so strongly that I do not believe real security is going to be felt in the United States, in the British Empire, and other nations of the globe until that comes about. I just don't believe it. We can approach it slowly, and probably obtain a great measure of success; enough, at least, to establish an uneasy truce. But I believe that the day this whole area in Western Europe gets unity—and once it gets united—the Soviets will never be able to hold the East Germans out of it. I believe that will all my heart. [Section deleted.]

Mr. President, 4 years ago this fall I was in Germany. I spent some time there as a member of the so-called Herter committee, the House group which studied the economic and political conditions as a background to the foreign aid program. We wrote a report when we returned, we made some recommendations. One of those recommendations which I helped to write in 1947 was this:

4. That the States of Germany which are free to do so be encouraged to form a constitutional government at the earliest possible date—a government with powers prescribed by and derived from the member States, a government which other German States could join when free to do so, and free itself to join any federation of free States looking toward the economic stability of Europe and world peace.

So as I read the hearings on this bill I was struck by the fact that General Eisenhower should be saying in the fall of 1951 almost the same thing when he stated that there would be no real security until there was a united Western Europe, and that the Soviets would never be able to hold the East Germans out of it.

In the final meeting which the Senate committee had with General Eisenhower just a few days ago, he reiterated this point of view and said:

This is what I believe. I believe that—and this may be a bit on the naive side—but I believe that France and Germany are going to continue to grow closer and closer together. We see it all around. I cannot tell you for example, how many French generals I have heard say that with this French-German problem solved we will have made a great step forward. I think that the French and Germans really are ready to patch up many of the—let us say obstacles—that loom so big in the minds of the

politicians. I believe in it this much—when I came over here, I disliked the whole idea of a European army and I had enough troubles without it.

Senators will remember that the general indicated that dislike when he addressed Congress in the auditorium of the Library of Congress. He went on in his statement to the subcommittee:

However, I have decided that it (the European army) offers another chance for bringing another link in here, so I made up my mind to go into the thing with both feet. I told my colleagues this and I have sent to Washington and said, "I am in it, anything you want me to do I will try to do." So I am going to try to help, and I realize that a lot of my professional associates are going to think that I am completely crazy, but I will tell you that joining Europe together is the key to this whole thing.

Mr. President, one cannot read the testimony given by General Gruenther, General Eisenhower, and others in Europe without coming to the conclusion that they honestly believe that the key to getting results for our dollars there is through somehow bringing the European countries together.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. CASE. Yes.

Mr. McMAHON. Did the Senator from South Dakota vote against the \$250,000,000 reduction that General Eisenhower suggested should not be made?

Mr. CASE. I am glad the Senator from Connecticut brings up the point. I intended to bring it up myself. Time is running out in which to get the job in Europe done, because dollars are running out. The result of the vote this afternoon on several amendments proposing reductions grows out of a conviction on the part of the American people that we cannot continue to pour out dollars and not get the job done. If we do not do it this year the sentiment against large appropriations will be stronger next year, and even stronger the following year. The votes for reductions are a reflection of the growing demand on the part of America that we get results. Again, I refer the Senator to testimony of General Eisenhower:

In my opinion the only thing that can break the United States and give us nothing in return is to drag this thing out.

He said that in connection with expressing his feeling that we should try to get unity in Europe and said that was why he had changed his mind on west German participation since he went over there. I read again his statement:

Many of our problems would disappear if this whole area of Western Europe were one federal union. . . . I do not believe real security is going to be felt in the United States, in the British Empire, and other nations of the globe until that comes about. . . . I believe that the day this whole area in Western Europe gets unity—the Soviets will never be able to hold the east Germans out of it.

That was our conviction on the Herter subcommittee 4 years ago, Mr. President, and I am seeking now to implement the recommendation we made at that time.

We cannot require a United States of Europe. Personally I doubt that West-

ern Europe in any foreseeable time will join in any firm union such as we have, but they could have a loose federation—a federation of free states of Europe. When that happens the strength of the free states of Western Europe, integrated economically and militarily, will be strong enough, as General Eisenhower says, to discourage the Russians. That is the only real hope for lasting security.

That is why I offered my amendment. I have tried to give some effective expression to the thought of the father of a few years ago when he said that he thought the only chance was a United States of Europe, and to give some effective expression to the convictions expressed by General Eisenhower.

That is why the amendment proposes to say to the Administrator that he shall use his powers to encourage the economic integration of the free states of Europe, to assist in the formation of a continental police force to preserve the peace of Europe, and to see to it that the counterpart funds, which are required to be used in the way in which the plan is administered, shall be available exclusively to the United States to expend, but if the countries receiving this aid will apply it to the formation of an economically integrated program and a militarily integrated program, we will place the entire amount of the counterpart funds at the disposal of such a federation.

Perhaps the amendment may need some modification or working out in conference, but I should like to see the committee take it to conference. It will help Europe realize that we want them to make a contribution to their getting together—that we would like to see them work out the details by whatever plan they formulate—whether the Schuman plan or something else.

Unless we can get Europe to realize that this is their job, not just ours, the job will not be done. We need to have Europe realize that we are willing to do this, not for ourselves alone, but also for them. If they realize that, we shall join together, and the job will be done. We stand ready to help.

Mr. President, I hope the amendment will be taken to conference. The time has come for us to get something for the dollars we provide. That something must be the true security which General Eisenhower sees in a United Europe.

Mr. CONNALLY. Mr. President, I yield 5 minutes to myself.

The VICE PRESIDENT. The Senator from Texas is recognized for 5 minutes.

Mr. CONNALLY. Mr. President, the Senator from South Dakota makes a very eloquent appeal in behalf of a union of the countries of Western Europe. If Western Europe wishes to unite, that is fine, and I applaud it. However, it is not our function to tell Western Europe or any other part of Europe that it must unite. We would not stand for a suggestion by the countries of Western Europe as to what we should do about the organization of our Government. We would resent such a suggestion. In the same way, I think the countries of Western Europe would resent a suggestion of this sort from us. It would be fine if

they did unite, and I would applaud it. However, it is not for us to tell them to do it.

The Senator's amendment would impose obligations and duties upon the President of the United States. I read from the amendment:

The President is advised that Congress looks with favor on proposals to form a Federation of the Free States of Europe.

Mr. President, who would form it? Are we going to form it? I do not think so.

I read further from the amendment:

To advance this policy, the Administrator shall use his powers and duties under this act to—

So, Mr. President, by law we would place obligations and duties upon the Administrator to try to use our economic power to force those countries to form a union.

Mr. President, let them form a union; I shall applaud them if they do. However, it is not our business to tell them what kind of union they shall form. I do not think it is a wise policy for us to adopt an amendment such as this one.

We have already encouraged economic integration, by means of the ECA and also by means of this measure.

I read further from the Senator's amendment:

(1) encourage the economic integration of the Free States of Europe;

(2) assist in the formation of a continental police force to preserve the peace of Europe;

In connection with the amendment the Senator talked about someone's boy who was wounded in the war. Mr. President, if we establish a continental police force to preserve the peace of Europe, I dare say a great many of our boys and other boys will be wounded in war.

Of course, the amendment has a laudable purpose; but many things which are laudable in purpose are not practicable or wise.

The Senator also desires to have the counterpart funds used in certain ways, as follows:

(3) require counterpart funds in local currencies from any country receiving aid under this act to be available to the United States for the procurement of strategic materials, acquisition and improvement of property needed by the United States in those countries and for the acquisition of holdings or claims of European nations in the Western Hemisphere: *Provided, however, That counterpart funds received for aid assigned in turn by any country to the Federation of Free States of Europe shall be placed in the treasury of such Federation for expenditure as it may determine.*

In other words, the Senator from South Dakota wishes to finance the consolidation and unification of Europe; otherwise, the amendment would have the counterpart funds come to the United States.

I say to the Senator from South Dakota that the purpose he has in offering the amendment is very laudable in the main, but the amendment is not practicable or sound or workable. Instead of making us friends in Europe, the amendment would bring about resentment and opposition.

In Europe it is already being said that we are materialists and that we wish to run the world. According to the charges which the Russians make, we want to run the world. The adoption of this amendment could be used in Europe for propaganda purposes to our detriment and our harm.

Mr. President, I think the amendment should be rejected.

Mr. McMAHON. Mr. President, will the Senator yield to me for 1 minute?

Mr. CONNALLY. I yield 1 minute to the Senator from Connecticut.

The VICE PRESIDENT. The Senator from Connecticut is recognized for 1 minute.

Mr. McMAHON. I am in favor of objectives 1 and 2 of the amendment, namely—

(1) encourage the economic integration of the free states of Europe;

(2) assist in the formation of a continental police force to preserve the peace of Europe;

However, I notice that the third objective of the amendment is:

(3) require counterpart funds in local currencies from any country receiving aid under this act to be available to the United States for the procurement of strategic materials, acquisition and improvement of property needed by the United States in those countries and for the acquisition of holdings or claims of European nations in the Western Hemisphere.

As I recall, the Senator from South Dakota, who now proposes this amendment, voted twice in the committee, if I am not mistaken, to make a cut in the amount of money available for both military aid and economic aid with which to accomplish the first two principles or purposes stated in the amendment he now submits.

I believe the requirement proposed in the third portion of the Senator's amendment is such as to need the fullest and most complete support by way of appropriations and authorizations, and I do not think it can properly be supported by one who has seen to it that the authorization provided in this bill has been reduced.

The VICE PRESIDENT. The time of the Senator from Connecticut has expired.

Mr. CONNALLY. Mr. President, is the Senator from Kentucky [Mr. UNDERWOOD] present?

Mr. CASE. Mr. President, have I any time left?

The VICE PRESIDENT. The Senator from South Dakota has 4 minutes left.

Mr. CASE. I should like to comment briefly upon the remarks of the Senator from Texas.

This amendment does not say to Europe, "You have got to do this." The purpose of the amendment is to try to make it attractive to Europe to do something of this sort.

The able Senator misunderstands my suggestion of a continental police force if he thinks of it as an American army. I distinctly refer to the European army which General Eisenhower has said he is trying to form. In that part of his testimony, which I read, he said he is trying to do that very thing. In con-

cluding that part of his testimony he said:

I will tell you that joining Europe together is the key to this whole thing. And if you can help do it with a European army, I am ready to put a lot of work in it.

So I say that Senators had better call off General Eisenhower and tell him to stop some of the things he is doing in Europe, if Senators do not favor this amendment.

With respect to the counterpart funds, let me say that today 5 percent of the counterpart funds are available to the United States, to be spent for its own purposes. The use of that 5 percent of the counterpart funds has procured for the United States \$165,000,000 worth of strategic materials during the first 4 years of the Marshall plan. An additional part of the counterpart funds has procured some embassy buildings for us.

I proposed this plan in the House in the first appropriation bill for the Marshall plan—only we started with 10 percent. In conference it was made 5 percent. But I am willing that we forego that 5 percent of the counterpart funds and turn it over to the treasury of a real federation of the free states of Europe if we can get such a result. The amendment does not require that federation to be made, but the amendment tries to make it attractive to those countries to form it.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CASE. I yield.

Mr. DOUGLAS. I should like to have the Senator clarify the amendment, if he will be kind enough to do so. In the event the countries did not federate, how much of the counterpart funds would the Senator's amendment take from them? Would it take all the counterpart funds or only 5 percent?

Mr. CASE. No; in order to make the idea attractive to them, I proposed in the amendment that all the counterpart funds be affected whichever way they go.

Mr. DOUGLAS. In other words, 100 percent of the counterpart funds?

Mr. CASE. Yes.

Mr. DOUGLAS. But if they do not agree to federate in that way, 5 percent would not be available for them?

Mr. CASE. No; if they agreed, 100 percent of the counterpart funds would be available to the Federation of the Free States of Europe.

Mr. DOUGLAS. Mr. President, the amendment is much more rigid in that respect than was the Fulbright proposal, which was made in the past. I believe that the Fulbright proposal was that 10 percent of the counterpart funds be used as a stimulant.

I think the general proposal made by the Senator from South Dakota is very laudable, but that it is too sweeping.

Inasmuch as the Senator from South Dakota loves to submit amendments to the amendments of other Senators, I wonder whether he will be willing to accept at this time an amendment to his own amendment.

Mr. CASE. I am happy to reciprocate. Mr. President, I intend to modify my amendment—

The VICE PRESIDENT. The Senator may modify his own amendment without obtaining unanimous consent for that purpose.

Mr. CASE. Then, Mr. President, I modify my amendment as follows: On page 1, in line 4, after the word "Administrator", insert "to the extent that it is readily feasible and does not interfere with the purposes elsewhere set forth in this act."

In line 5, after the word "integration", insert the words "where suitable."

And in line 9, after the word "require", insert "10 percent", so that it would require that only 10 percent of the counterpart funds be available to the United States.

The VICE PRESIDENT. The Senator from South Dakota modifies his amendment accordingly.

The question is on the amendment, as modified. [Putting the question.] The "noes" seem to have it.

Mr. DOUGLAS. I ask for a division.

Mr. CONNALLY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Iowa [Mr. GILLETTE], the Senator from West Virginia [Mr. NEELY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Maryland [Mr. O'CONOR] is absent because of a death in his family.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Virginia [Mr. ROBERTSON] would vote "nay."

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from North Dakota [Mr. LANGER], and the Senator from Delaware [Mr. WILLIAMS] are detained on official business.

On this vote the Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Indiana would vote "nay."

The result was announced—yeas 25, nays 41, as follows:

YEAS—25

Alken	Eaton	Pastore
Bennett	Hendrickson	Schoeppel
Benton	Humphrey	Smathers
Brewster	Ives	Smith, Maine
Carlson	Kefauver	Taft
Case	McCarthy	Watkins
Douglas	Moody	Young
Duff	Mundt	
Dworshak	Nixon	

NAYS—41

Bridges	Hennings	Martin
Butler, Md.	Hill	Maybank
Byrd	Hoey	McFarland
Capehart	Holland	McKellar
Clements	Hunt	McMahon
Connally	Johnson, Colo.	Millikin
Cordon	Johnson, Tex.	Morse
Dirksen	Johnston, S. C.	Murray
Eastland	Kem	Russell
Ellender	Kerr	Stennis
Frear	Kilgore	Thye
George	Lehman	Underwood
Green	Long	Welker
Hayden	Magnuson	

NOT VOTING—30

Anderson	Jenner	O'Mahoney
Bricker	Knowland	Robertson
Butler, Nebr.	Langer	Saltonstall
Cain	Lodge	Smith, N. J.
Chavez	Malone	Smith, N. C.
Ferguson	McCarran	Sparkman
Flanders	McClellan	Tobey
Fulbright	Monroney	Wherry
Gillette	Neely	Wiley
Hickenlooper	O'Connor	Williams

So Mr. CASE's amendment, as modified, was rejected.

The VICE PRESIDENT. The bill is open for further amendment.

Mr. BREWSTER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Maine.

The CHIEF CLERK. On page 44, line 10, it is proposed to strike out the words "for any country of Europe (other than a country covered by another title of this act), which the President determines to be of direct importance to the

defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States," and to insert "for Western Germany, Spain, and Yugoslavia."

Mr. BREWSTER. Mr. President, the amendment which I have offered is designed to give the Senate and the House an opportunity to define the countries which we consider are essential to our defense, rather than to leave it in the discretion of the President. In all the other instances in connection with the section with which we are dealing, we have designated countries under the North Atlantic Treaty. The language which is used in this section would include 5 countries, Sweden, Switzerland, West Germany, Spain, and Yugoslavia. There may be other countries that could be considered. It is generally understood that the section is designed to apply only to the countries which I have named.

There has been no suggestion before the committee that aid was contemplated to either Sweden or to Switzerland. It seems to me that in a matter of this major consequence it is the appropriate function of Congress to determine the countries which they consider may be of importance.

The amendment does not in any way circumscribe the President as to the kind of aid he may extend. It does not affect the closing language of the section, which limits any aid to those countries to 10 percent of the total. That limitation still remains. The apportionment of the amount within the countries named is also left in the discretion of the President. The result is that so far as the cost is concerned, the amendment has no effect whatsoever. It requires no additional funds; it does not provide any specific sum in any of the three countries concerned, but it seems to me that considering the dignity and importance of determining whether aid in any such amount as \$500,000,000 shall be extended, it is the appropriate function of the Congress to determine it in the first instance; and it is for that purpose that I offer the amendment. I have also a certain concern as to indicating the feeling of the Congress regarding the countries mentioned.

We have been very generous toward Yugoslavia. We have already granted it, in various forms, approximately \$500,000,000. We have granted it to a regime which is admittedly Communist. Mr. Tito makes no bones of the fact that he is a believing Communist. He likes to characterize himself as "the leader of the progressive people behind the iron curtain," meaning, I assume, from the language he uses, that he considers himself the legitimate substitute for Stalin, and that he is really the leader of the progressive Communists behind the iron curtain. We have given him approximately \$500,000,000, and we are now contemplating, through various agencies, an additional grant which will approximate \$500,000,000 more, or nearly a billion dollars.

England is going to give him approximately \$150,000,000. The International Bank is providing for making a loan to him of \$250,000,000.

I think there is grave question as to whether we may not be a little overplaying our hand, so far as Mr. Tito is concerned. He is not having a happy time in his own country, as the peasants are bitterly resenting the application of collectivism, and are in open revolt against deliveries which are being required by Tito.

This amendment does not suggest that we want to extend him some aid. In other words, I have no objection to aiding anyone who will fight communism behind the iron curtain, but I think it is possible to overdo it.

On the other hand, I see the concern of many Members of Congress and citizens of the country because of the extreme reluctance we have shown in connection with extending aid to Spain. The western German situation is in a class by itself. Whether Western Germany, when it has finally achieved complete sovereignty, will join us, I do not know. General Eisenhower has recommended that they join with us in a defense arrangement, but it is still in the future. I think everyone in this country agrees that it is desirable, if feasible, and that there is no question about the intention of our country to move along that line if the circumstances shall permit. But so far as Spain is concerned, it has seemed to many persons that we have moved with extreme reluctance in recognizing the strategic significance of the Iberian Peninsula.

That is one subject on which we have complete unification of military thinking. The Army, the Navy, and the Air Corps are at one on the proposition that some appropriate aid to Spain is now fully warranted by the circumstances in which we find ourselves. Even the New York Times, the most bitter critic of aid to Spain, agrees that in the event of any conflict with communism, Spain inevitably would be on our side, since it would be the first to be destroyed if communism were to overrun Europe, because of the deep-seated conflict between the two regimes. Yet we find extreme reluctance on the part of those who welcomed the association with Stalin in the attempt to eliminate Mr. Hitler in his menace to world peace. The very ones who cooperated most enthusiastically with Russia in the attempt to stem the Hitler movement want us to follow exactly the same principle and precedent in associating ourselves now with one who even the New York Times agrees is the most implacable foe of communism.

That is why I feel strongly that we should go on record in favor of recognizing the importance of these countries in the defense of our security, and that we leave no doubt in the minds of the people of the United States and of the world as to our recognition of this fact.

The Subcommittee of the Foreign Relations Committee which recently visited Spain used the following language in its report:

If assistance were given Spain to help build its military strength, assistance would also need to include some economic aid to bolster

a civilian economy which is very weak. According to estimates received by the subcommittee in Spain, a minimum program that would make Spanish armed forces of a size and a quality effectively to participate in the defense of Western Europe might well involve the expenditure of about \$200,000,000 for military purposes, plus another \$200,000,000 for economic purposes.

In the \$500,000,000 made available there will be ample funds for military aid to be provided to the extent the President ultimately, under the advice of his defense authorities, as provided in the bill, should determine to be wise. In the report of the two committees dealing with this bill it was frankly recognized that these are the three countries with which this provision of the section is concerned. It is stated in the report:

In connection with the distribution of military assistance among the nations of Western Europe, particular attention should be given to that part of section 101 (a) (1) which will permit the President to use not to exceed 10 percent of the \$5,043,350,000 for military assistance to any other country of Europe—

The committees in their report on the Mutual Security Act of 1951 then quote the provision of the section—

which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States.

Instead of having the President determine that question, it is my concept that the Congress should determine it, and that we are fully capable and competent to determine it at this time.

The report of the committees continues:

This means that a total not to exceed approximately \$500,000,000 can be used to supply military assistance to such countries as Western Germany, Spain, and Yugoslavia.

It is the purpose of my amendment simply to substitute the names of those three countries as eligible for this aid, in lieu of the language which leaves it in the entire determination of the President. The amount of the aid that shall be given, however, is still in the discretion of the President.

I hope very much that this amendment may be adopted and that it may be agreed to by the Members of the House when they shall come to consider this matter.

Mr. McMAHON. Mr. President, I yield myself 5 minutes.

I regret very much, Mr. President, that the Senator from Maine did not bring up this amendment in the committees when we were considering the matter. I should like to call attention to the language in the report of the committees.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. BREWSTER. As the Senator knows, I was not able to be present when the matter was considered by the committees, or I certainly should have presented the point. I was not able to be there.

Mr. McMAHON. I apologize to the Senator. I only say that this proposal

was not presented to the committees, but the committees have taken a very distinct stand on the matter. I want to read to the Senate what the committees said about this \$500,000,000. I read:

This means that a total not to exceed approximately \$500,000,000 can be used to supply military assistance to such countries as Western Germany, Spain, and Yugoslavia. For reasons which are obvious—

I repeat—

For reasons which are obvious, it would not be proper for the joint committee to indicate in this report what assistance, if any, should be distributed to these countries, and if so, the way in which assistance might be distributed. This is a matter in which the President must have discretion to be exercised in the interest of the United States, bearing in mind military, political, and economic considerations as well as the will and ability of possible recipient nations to defend themselves and to contribute to the mutual strength of the area.

Mr. President, I think we could not have done a better thing than to have left in the President the discretion as to this \$500,000,000. There are many conditions I want to see proposed particularly in the case of the aid that is bestowed upon Tito and Yugoslavia. This proposal, of course, would be a further indication to Mr. Tito that the Congress of the United States was signing him out as opposed to Switzerland and Sweden, in order that we would indicate that we wanted to give him aid regardless of all possible consideration.

I, too, saw Tito. I talked with him. I am convinced that it is entirely possible that in the interest of the security of the United States we may, as the Senator from Maine said, decide to give aid to Tito, but I would just as soon have the President of the United States have his hands untied and free in the making of that bargain.

No, Mr. President, this amendment is unnecessary. The subject matter was considered by the committees at great length. Some of us had in mind that there were other countries behind the iron curtain which might possibly be the recipients of this aid, depending upon certain developments which might take place in the future. So, I say that, while it is true that the countries the Senator from Maine specifically wants to name in the bill may well be the subject of aid to come out of the proceeds of this bill, let us not further depreciate the bargaining powers of the President of the United States in driving the best bargain he can in the interests of our country.

I hope the amendment will be defeated.

Mr. BREWSTER. Mr. President, I evidently did not make myself clear, and I think perhaps the Senator from Connecticut does not understand the purport of the amendment, if he considers that it in any way limits the discretion of the President. The entire purpose of the whole section is to leave in the discretion of the President what portions of this fund shall be allotted to any given country. There are 12 countries in the North Atlantic Pact. Three others are named. No one has ever suggested that there should be any aid to Sweden

or Switzerland under any circumstances we can now anticipate. Certainly there may be some countries behind the iron curtain that should be considered, but that is something that has never before been suggested.

The amendment will not tie the hands of the President as to what he will do. He is left with full discretion as to whether he will give them \$1 or \$100,000,000 or \$500,000,000 or no aid at all.

Mr. McMAHON. The Senator from Maine realizes, does he not, that by singling out these three countries in the amendment he points up the desirability in the Senate of the United States of dealing with these three countries to the exclusion—if not to the exclusion, to the preference—of other countries whom we might find it possible to aid.

Mr. BREWSTER. That is certainly the case, and I think it is very desirable as to the two countries chiefly involved, Spain and Yugoslavia.

The Senator from Connecticut indicated a little concern about Tito, and I say that I was concerned, but after we have given him \$500,000,000 I do not think it is inappropriate for the Congress to recognize that possibly Yugoslavia is of some significance to our defense, when we are proposing to give him \$500,000,000 more. I think the Congress might say, "Yes, we do think it is important."

I myself entertain the view some have overemphasized the matter, and I think the Senator from Connecticut is inclined to agree with me on that point. But what the amendment does point up is that we also recognize the importance of Spain, and on that score I regret to say that there has been extreme reluctance on the part of many influences in the administration. We were assured one time they were going to give aid to Spain. They did not do it. Finally, by a 2 to 1 vote in the Senate on a proposal sponsored by the Senator from Connecticut with the distinguished chairman of the committee joining in, we recognized that some assistance to Spain was wise. Things are now moving forward following the military mission under the late Admiral Sherman and we hope and expect that the strategic significance of Spain is now going to be recognized, but if there is any doubt about it I feel very strongly we are now very wisely going to leave no doubt regarding it.

Mr. McMAHON. Mr. President, I yield myself one more minute to say only that I suspect Greeks bearing gifts. I remember the very stringent and vigorous opposition to the appropriation for Yugoslav relief which the Senator from Maine evidenced when that question was before us last December. The Senator from Connecticut was responsible for attaching certain conditions to that relief which he believes were wise. I am for attaching certain conditions to relief for Franco and Spain and, above all, I am for attaching certain conditions to the relief which we might grant to Yugoslavia and to Tito. I want to leave the President of the United States free to make the very best deal he can.

This amendment is a limitation upon the power of the President to make such wise agreements. I say that the best in-

terests of the United States would be served by the defeat of this amendment. Our committee considered it in executive session. We talked it over freely and frankly, and we came to the conclusion that what we recommended was the best thing to do; and we came to that conclusion unanimously. I ask the Senate to stand by the committee.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Maine [Mr. BREWSTER].

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is the demand for the yeas and nays sufficiently seconded?

Only 10 hands were raised. According to the last vote, 12 would be required. That means that the demand is not sufficiently seconded.

Mr. BREWSTER. I suggest the absence of a quorum.

Mr. CONNALLY. Oh, no.

Mr. BREWSTER. Then allow us to have a yeas-and-nays vote. That will dispose of it.

The VICE PRESIDENT. The Chair cannot pass on that question. He must count the hands as they are raised.

Mr. BREWSTER. I shall suggest the absence of a quorum unless Senators are willing to give us a yeas-and-nays vote.

The VICE PRESIDENT. Does the Senator make the point of no quorum?

Mr. BREWSTER. I ask for the yeas and nays.

Mr. DIRKSEN. Mr. President, I renew the request for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Iowa [Mr. GILLETTE], the Senator from West Virginia [Mr. NEELY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Maryland [Mr. O'CONOR] is absent because of a death in his family.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Arkansas [Mr. FULBRIGHT] is paired on this vote with the Senator from Maryland [Mr. O'CONOR]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from Maryland would vote "yea."

I announce further that if present and voting, the Senator from West Virginia [Mr. NEELY], the Senator from Virginia

[Mr. ROBERTSON], and the Senator from Alabama [Mr. SPARKMAN] would vote "nay."

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN], and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Delaware [Mr. WILLIAMS] are detained on official business.

On this vote the Senator from Washington [Mr. CAIN] is paired with the Senator from New Hampshire [Mr. TOBEY]. If present and voting the Senator from Washington would vote "yea" and the Senator from New Hampshire would vote "nay."

The result was announced—yeas 29, nays 38, as follows:

YEAS—29

Bennett	Eastland	O'Mahoney
Brewster	Ecton	Pastore
Bridges	Johnson, Colo.	Schoeppel
Butler, Md.	Kem	Taft
Capehart	Langer	Thye
Carlson	Martin	Underwood
Case	McCarthy	Watkins
Dirksen	Millikin	Welker
Douglas	Mundt	Young
Dworshak	Nixon	

NAYS—38

Aiken	Hill	Magnuson
Benton	Hoey	Maybank
Byrd	Holland	McFarland
Clements	Humphrey	McKellar
Connally	Hunt	McMahon
Cordon	Ives	Moody
Ellender	Johnson, Tex.	Morse
Frear	Johnston, S. C.	Murray
George	Kefauver	Russell
Green	Kerr	Smathers
Hayden	Kilgore	Smith, Maine
Hendrickson	Lehman	Stennis
Hennings	Long	

NOT VOTING—29

Anderson	Hickenlooper	Robertson
Bricker	Jenner	Saltonstall
Butler, Nebr.	Knowland	Smith, N. J.
Cain	Lodge	Smith, N. C.
Chavez	Malone	Sparkman
Duff	McCarran	Tobey
Ferguson	McClellan	Wherry
Flanders	Monroney	Wiley
Fulbright	Neely	Williams
Gillette	O'Connor	

So Mr. BREWSTER's amendment was rejected.

Mr. DWORSHAK. Mr. President, I send an amendment to the desk, and I ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 45, line 17, in lieu of "\$880,500,000" it is proposed to insert "\$843,000,000."

The VICE PRESIDENT. The Senator from Idaho is recognized for 15 minutes.

Mr. DWORSHAK. Mr. President, earlier this evening the senior Senator from Illinois [Mr. DOUGLAS] offered an amendment, which was overwhelmingly adopted. As a result of the adoption of the amendment the amount of money on page 48 of the bill, in line 16, was increased from \$122,500,000 to \$160,000,000. The net effect of the amendment is to increase the amounts to be made available for economic and technical assistance in the Near East and Africa. It would increase by \$10,000,000 the amount to be paid to the United Nations by the United States under the UN Palestine Refugee Aid Act of 1950.

The VICE PRESIDENT. The Chair is advised that what the Senator from Idaho is attempting to do is to amend an amendment which has already been agreed to. Therefore, his amendment is not in order.

Mr. DWORSHAK. Mr. President, I send another amendment to the desk.

The VICE PRESIDENT. The clerk will state it.

The CHIEF CLERK. On page 44, line 6, in lieu of "\$5,043,350,000" it is proposed to insert "\$5,005,850,000."

Mr. DWORSHAK. To continue my comments, Mr. President, when the Senator from Illinois [Mr. DOUGLAS] offered his amendment he made the pledge that he would subsequently submit another amendment to reduce the amount to be authorized, either from economic aid or military aid, so that there would be no increase in the total amount to be authorized.

I am sure that many Senators who voted for his amendment did so because they not only agreed with the objectives of the amendment but also because of the assurance, given by the Senator from Illinois, that there would be no increase in the total amount of the authorization. At this time I should like to yield to the Senator from Illinois, so that he may express his views on the subject.

The VICE PRESIDENT. How much time does the Senator from Idaho yield to the Senator from Illinois?

Mr. DWORSHAK. I yield 3 minutes.

Mr. DOUGLAS. In the course of the debate I said that if the amendment were adopted it would be our intention—and I had the consent of the Senator from Ohio [Mr. TAFT]—to offer another amendment, to reduce the sums of money which would otherwise be spent in Europe so that there would be no net increase in the total amount. It would be merely a shifting of money from Europe to the Near East. It is true that at the time I offered the amendment the \$250,000,000 decrease in economic aid to Europe had not been agreed to. However, a pledge was given.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DOUGLAS. No; I decline to yield at this time. A pledge was given, and I feel in honor bound to support this amendment. I would have offered it myself, under the pledge I gave, had not the Senator from Idaho [Mr. DWORSHAK] offered it. I shall vote for it.

Mr. LONG. Mr. President, will the Senator from Idaho yield me 2 minutes?

Mr. DWORSHAK. Yes.

Mr. LONG. I shall vote against the amendment because I do not approve of the logic involved. The logic is that because we decided to give more money to Israel we should take some of the money from Europe. I voted to take \$500,000,000 from aid to Europe because I believed we could safely cut it to that extent. I do not see why we should cut the aid to Europe because we decided to give more money to Israel. I shall vote against the amendment.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DWORSHAK. I yield.

Mr. MAYBANK. I wrote to my good friends of the Jewish Society of South Carolina that I intended to vote for a cut, believing that what was fair for one was fair for another. When they wrote me suggesting that I favor \$50,000,000 instead of \$40,000,000, I said I was not going to vote for an increase because I did not propose to vote for a decrease for European aid without voting for a decrease in other aid. I told the Senator from Illinois that I would vote against it. Mr. President, one cannot play both sides against the middle and pick out particular friends among many friends.

Mr. DWORSHAK. Mr. President, I yield myself an additional minute. I am sure that Senators who supported the amendment of the Senator from Illinois will support my amendment in good faith, because that was the understanding or the pledge which was made at that time.

Mr. MAYBANK. I did not support the amendment of the Senator from Illinois.

Mr. DWORSHAK. Everyone will agree that \$37,500,000 taken from Europe and added to the Near East and Africa will accomplish more in the Near East and Africa than if it were spent in Western Europe. I believe that is the point at issue. When the Senator from Illinois made that pledge, he got support for his amendment, and I ask an expression of good faith on the part of the Members of the Senate who supported that amendment.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Idaho [Mr. DWORSHAK].

Mr. McMAHON requested the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Idaho.

The amendment was rejected.

The VICE PRESIDENT. The committee amendment is open to further amendment. If there be no further amendment, the question is on agree-

ing to the committee amendment, as amended.

Mr. DOUGLAS. Mr. President, I send an amendment to the desk and ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 46, line 10, in lieu of "5 per centum" it is proposed to insert "10 per centum."

Mr. DOUGLAS. This is an amendment to increase the flexibility in the funds which we are authorizing to Europe. The point has properly been made that there is not a great deal of difference in principle between economic aid for Europe and military aid for Europe, for the reason that the economic aid which is to be furnished is to be primarily in the form of machine tools and raw materials, which can be fabricated in Europe into military weapons.

The committee which dealt with this subject took a great deal of testimony, both in Europe and in this country, on the possibility of getting military aid in Europe by furnishing economic aid to Europe.

The chart on the wall shows the effect of economic aid upon military preparations. The country shown in the blue rectangle is a country which, without economic aid from us, would produce \$2,825,000,000 worth of equipment. If we gave them \$565,000,000 worth of economic aid in the form of tools and materials it would be able to fabricate a total of \$3,905,000,000 worth of equipment.

In other words, by the investment of \$565,000,000 of economic aid we would get a total of approximately \$1,100,000,000 worth of added military equipment in Europe. That is because this country—and there are others in the same position—would be able to put to work labor which in some cases might otherwise be unemployed, and at lower wage scales than would be required in this country, and therefore for each dollar that we gave in economic aid we would get approximately \$2 in military equipment.

I submit that there are a great many cases like this, where a small amount of economic aid would create a large amount of military equipment.

Since we have already voted to diminish by \$250,000,000 the amount authorized by the committee, it seems to me this is a way by which we can provide a greater degree of flexibility and a greater degree of military preparedness in the authorization we make.

The bill at present provides that 5 percent of the funds authorized in section 101 may be transferred, at the discretion of the President, from military to economic purposes or from economic to military programs. This amendment proposes that 10 percent may be transferred from military purposes to economic purposes, or vice versa. I think the net effect will be distinctly to increase the total effectiveness of the program and to increase the total armed strength of the free nations of the world.

Mr. President, I hope very much the genial Senator from Texas will accept the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Illinois [Mr. DOUGLAS].

Mr. DIRKSEN. Mr. President, will the Senator from Texas yield 2 minutes to me?

Mr. CONNALLY. I yield 2 minutes to the junior Senator from Illinois.

The VICE PRESIDENT. The Senator from Illinois [Mr. DIRKSEN] is recognized for 2 minutes.

Mr. DIRKSEN. Mr. President, the net effect of the suggestion made by my senior colleague from Illinois is to apply to paragraphs (a) and (b), which refer to economic aid to Europe, a provision that 10 percent of that amount, or more than \$600,000,000, may be transferred in one way or another, at the complete discretion provided by the amendment. Thus the amendment completely washes out any reductions or economies which have been made by us already in connection with this bill in the field of economic aid. It is as plain as could be that that would be the effect of the amendment.

Mr. DOUGLAS. Mr. President, will my colleague yield to me?

Mr. DIRKSEN. I have only 2 minutes, Mr. President, in all. Nevertheless I yield.

Mr. DOUGLAS. I say to my good friend and colleague that the amendment would not increase the total amount authorized for Europe, but the amendment merely would permit greater flexibility in the use of the fixed total which we have already authorized.

Mr. DIRKSEN. Mr. President, the net result would be that if we were to appropriate \$6,000,000,000 for chewing gum and candy, and then if we were to give discretionary power to the extent of 10 percent of that amount, under the discretionary power it would be possible for \$600,000,000 more to be spent for candy or for chewing gum, according to the exercise of the discretion of the one who is given that authority.

So the result of this amendment would be completely to nullify the reduction voted by the Senate this afternoon.

Therefore I oppose the amendment.

Mr. BRIDGES. Mr. President, will the Senator from Texas yield 2 minutes to me?

Mr. CONNALLY. I yield 2 minutes to the Senator from New Hampshire.

The VICE PRESIDENT. The Senator from New Hampshire is recognized for 2 minutes.

Mr. BRIDGES. Mr. President, the theory of this particular amendment was considered by the two committees at their joint sessions. So far as I am aware, it was voted unanimously by the two committees to concur in the provisions of the bill as it has been reported.

The amendment now submitted by the Senator from Illinois would provide wide discretionary power and certainly would nullify the general principles enunciated and laid down in the bill as it has been reported.

I think the amendment should be rejected and that the provisions of the bill as reported by the committee should be upheld.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Illinois.

The amendment was rejected.

The VICE PRESIDENT. The bill is open to amendment.

Mr. KEFAUVER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 44, in line 6, it is proposed to strike out "\$5,043,350,000," and insert in lieu thereof "\$5,293,000,000."

Mr. KEFAUVER. Mr. President—

The VICE PRESIDENT. The Senator from Tennessee is recognized for 30 minutes, if he wishes to have that much time.

Mr. KEFAUVER. Mr. President, this amendment is offered on behalf of the senior Senator from Connecticut [Mr. McMAHON] and myself.

I now yield 5 minutes to myself.

The VICE PRESIDENT. The Senator from Tennessee is recognized for 5 minutes.

Mr. KEFAUVER. Mr. President, in plain language, this amendment simply restores to the military aid item provision for the Military Establishment which General Eisenhower said is needed by way of military assistance.

The reduction voted by the Senate committee was approximately \$250,000,000. This amendment would restore the provision for military assistance which has been requested by our military leaders in view of our present difficulties.

I think it is particularly imperative that the restoration be made, in view of the fact that a similar amount has been reduced from the item for economic assistance, as a result of adoption of the Dirksen amendment. It is possible that a part of that authorization could have been used for the development of manufacturing facilities where military equipment could have been produced. Inasmuch as the amendment reducing the amount of the authorization for economic assistance has been adopted, and thus has cut drastically the authorization for economic assistance, I think it is necessary, in order to comply with our agreement to do our bit to assist in the protection of Western Europe, for us to authorize for military aid the amount they requested, which is what the amendment would do.

I now yield 5 minutes to the Senator from Connecticut [Mr. McMAHON].

The VICE PRESIDENT. The Senator from Connecticut is recognized for 5 minutes.

Mr. McMAHON. Mr. President, today we have heard a great deal about the interconnection between economic aid and military aid. As a result of the vote on the Dirksen amendment the authorization for economic aid to Western Europe has been reduced to the extent of \$250,000,000. Therefore, it becomes all the more essential, in the view of the Senator from Tennessee and the Senator from Connecticut, that we substitute for that \$250,000,000 of economic aid, which we have hacked out of this bill,

\$250,000,000 worth of military aid, because the countries of Western Europe will need it now more than they needed it before the vote which resulted in striking from the bill \$250,000,000 of authorization for economic aid.

I regret the fact that the senior Senator from Ohio is not now on the floor. I hope he will appear and will vote, because a week ago he declared that he was in favor of all the military aid General Eisenhower had requested and needed. Here is the Senator's chance to vote for it. Here is the chance for those who believe that General Eisenhower should have the guns and the bombs and the tanks he needs, to vote for them.

If Senators vote against this amendment, they will be voting for a decrease to the extent of \$250,000,000 in General Eisenhower's ability to do the job in Western Europe.

Mr. President, I suggest that the roll be called.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Tennessee [Mr. KEFAUVER], on behalf of himself and the Senator from Connecticut.

Mr. McMAHON. Mr. President, I ask for the yeas and nays on this question.

Mr. KEFAUVER. Mr. President, I join in requesting the yeas and nays.

The yeas and nays were not ordered.

Mr. McMAHON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. BREWSTER. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. The yeas and nays have just been refused.

The absence of a quorum has been suggested, and the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hendrickson	McKellar
Bennett	Hennings	McMahon
Benton	Hill	Millikin
Brewster	Hoey	Moody
Bridges	Holland	Morse
Butler, Md.	Humphrey	Mundt
Byrd	Hunt	Murray
Capehart	Ives	Nixon
Carlson	Johnson, Colo.	O'Mahoney
Case	Johnson, Tex.	Pastore
Clements	Johnston, S. C.	Russell
Connally	Kefauver	Schoepfel
Cordon	Kerr	Smathers
Dirksen	Kilgore	Stennis
Douglas	Langer	Taft
Dworshak	Lehman	Thye
Eastland	Long	Underwood
Eaton	Magnuson	Watkins
Ellender	Martin	Welker
Frear	Maybank	Young
George	McCarthy	
Green	McFarland	
Hayden		

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER] for himself and the Senator from Connecticut [Mr. McMAHON].

Mr. McMAHON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Ar-

kansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Iowa [Mr. GILLETTE], the Senator from West Virginia [Mr. NEELY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is absent because of a death in his family.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Arkansas [Mr. FULBRIGHT] is paired on this vote with the Senator from North Carolina [Mr. SMITH]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from North Carolina would vote "nay."

The Senator from Arkansas [Mr. McCLELLAN] is paired on this vote with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from West Virginia would vote "yea."

The Senator from Alabama [Mr. SPARKMAN] is paired on this vote with the Senator from Nevada [Mr. McCARRAN]. If present and voting, the Senator from Alabama would vote "yea," and the Senator from Nevada would vote "nay."

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Virginia [Mr. ROBERTSON] would vote "nay."

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, California.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, California.

The Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Delaware [Mr. WILLIAMS] are detained on official business.

If present and voting, the Senator from Washington [Mr. CAIN], the Senator from Michigan [Mr. FERGUSON], the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Indiana [Mr. JENNER], the Senator from California [Mr. KNOWLAND], the Senators from Massachusetts [Mr. SALTONSTALL] and Mr. LODGE, the Senator from Nevada [Mr. MALONE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Nebraska [Mr. WHERRY], and the Senator from Ohio [Mr. BRICKER] would each vote "nay."

The result was announced—yeas 22, nays 45, as follows:

YEAS—22		
Benton	Johnson, Tex.	Moody
Clements	Kefauver	Morse
Connally	Kerr	Murray
Green	Kilgore	O'Mahoney
Hayden	Lehman	Pastore
Hennings	Magnuson	Underwood
Hill	McFarland	
Humphrey	McMahon	

NAYS—45		
Aiken	Ellender	McCarthy
Bennett	Frear	McKellar
Brewster	George	Millikin
Bridges	Hendrickson	Mundt
Butler, Md.	Hoey	Nixon
Byrd	Holland	Russell
Capehart	Hunt	Schoepfel
Carlson	Ives	Smathers
Case	Johnson, Colo.	Smith, Maine
Cordon	Johnston, S. C.	Stennis
Dirksen	Kem	Taft
Douglas	Langer	Thye
Dworshak	Long	Watkins
Eastland	Martin	Welker
Eaton	Maybank	Young

NOT VOTING—29		
Anderson	Hickenlooper	Robertson
Bricker	Jenner	Saltonstall
Butler, Nebr.	Knowland	Smith, N. J.
Cain	Lodge	Smith, N. C.
Chavez	Malone	Sparkman
Duff	McCarran	Tobey
Ferguson	McClellan	Wherry
Flanders	Monroney	Wiley
Fulbright	Neely	Williams
Gillette	O'Connor	

So the amendment offered by Mr. KEFAUVER for himself and Mr. McMAHON was rejected.

Mr. SMATHERS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Florida.

The CHIEF CLERK. On page 51, line 12, it is proposed to strike out "\$75,750,000" and insert "\$69,750,000."

On page 54, line 10, to strike out "\$15,250,000" and insert "\$21,250,000."

Mr. SMATHERS. Mr. President, I do not like to labor the point, but I think in view of the very generous treatment which this afternoon we have accorded the Middle East, Israel, and the Arab countries in Africa in raising the amount of the appropriations for technical assistance, everyone will agree that it

is of tremendous importance that we also give consideration to the good neighbors we have to the south of us.

The whole purpose of the amendment is to raise the amount now allocated by the committee for technical assistance to South America by only \$6,000,000. I am not talking about hundreds of millions or of billions; I am talking only about \$6,000,000. As a matter of fact, the total amount of money requested for Latin-American countries in the bill is only three-quarters of one percent—

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. CONNALLY. Mr. President, I am willing to take this amendment to conference.

Mr. SMATHERS. I thank the Senator from Texas.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The question is on agreeing to the committee amendment as amended.

Mr. BENTON. Mr. President, I call up an amendment.

The VICE PRESIDENT. The Chair will withdraw the announcement.

Mr. BENTON. I apologize, Mr. President; I was not able to keep up with the Chair.

The VICE PRESIDENT. One has to be pretty fast to do that.

Mr. BENTON. I do not claim to be that fleet of foot, Mr. President, and I apologize.

The VICE PRESIDENT. The clerk will state the amendment of the Senator from Connecticut.

The CHIEF CLERK. On page 43, line 3, after "Sec. 2," it is proposed to insert "(a)."

On page 43, between lines 17 and 18, insert the following:

(b) It is hereby declared to be the policy of the Congress, that, to the extent that it is readily feasible and does not interfere with the achievement of the purposes set forth in subsection (a), the assistance authorized by title I of this act shall be provided in such a way as (1) to discourage the cartel and monopolistic practices prevailing in European business which result in restricting production and increasing prices, and to encourage where suitable competition and productivity, and (2) encourage where suitable the development and strengthening of the free labor-union movements of Europe as the collective bargaining agencies of European labor.

Mr. McKELLAR and other Senators. Vote! Vote!

Mr. BENTON. Mr. President, the subject covered by my amendment is much too important for such a quick and arbitrary vote, without discussion, and this statement holds regardless of the hour of the night. This is one of the most important subjects confronting us in the operation of our foreign policy. One reason it is so important is that it is so little understood. I deeply regret that I did not see the issue in time to ask the distinguished chairman of the Foreign Relations Committee to permit me to testify during the hearings. I am, of course, very happy that there are now so many Senators on the floor for this discussion, because our whole future policy in Europe may revolve around the policies involved in the im-

plementation of this amendment which are directly connected with the vast amount of money we are authorizing tonight.

Mr. President, a few weeks ago the Senate debated and passed S. 719, the bill which unhappily gutted the Robinson-Patman Act and which I confidently expect the President to veto as he did the basing-point bill last year.

At that time I stressed not only the importance of our antitrust laws in the development of our own economy, but I also pointed out the tragic lack of such laws, and indeed the lack of even an elementary understanding of them, in England and on the Continent. European businessmen have no remote concept of the part these laws have played in the development of what we proudly call the free-enterprise system, and in the attainment of our high and rapidly increasing levels of productivity.

In most lines of European business there is very little competition as we understand it here in America. Monopoly agreements in restraint of trade, limiting production and forcing up prices, dividing markets and holding back the development of new and improved products—these are the daily fare of the big European manufacturers and cartel operators in a high percentage of industries and in most countries. They have never seen that in such practices, which hold down the living standards of the people, they are feeding the flames of socialism and communism.

Mr. President, the unhappy truth about Europe in recent years is that the rich have been getting richer while the masses of the people are no better off than before the war, and, in many cases, are worse off. Of course it has been a mighty achievement to hold up living standards even to present levels. But it was never our intentional objective, when we launched the Marshall plan, to let the rich get richer, except as an incident to a general and continuing rise in living standards for all the people. As we now look ahead, we must seek policies which emphasize the latter, wherever consistent with the armament and defense program—even if the so-called 200 families of France do not multiply into 400 or 800. I am not objecting, Mr. President, to men who prosper as manufacturers or otherwise as a result of the Marshall plan. I am even not necessarily objecting if they get richer. I object only to their policies which operate against the welfare of the workers and the people. I also object when, as today, in many countries of Europe the rich are paying little if any taxes, as we understand taxes here in America.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BENTON. I yield to the Senator from Ohio.

Mr. TAFT. Does the Senator think that the Schuman plan of control is not in the nature of a cartel?

Mr. BENTON. Mr. President, it is a different kind of cartel. It is designed to be operated in the public interest. It is being advocated and being established by responsible public officials. The question about the Schuman plan is not germane to the amendment which

I am offering. If I have time when I conclude my remarks, I would very much like to comment on the Senator's question more fully.

Mr. TAFT. Does the Senator think that our labor-management-relations laws would work in Europe?

Mr. BENTON. I share the reluctance of the Senator from Texas [Mr. CONNALLY] arbitrarily to decide for Europe on its laws but I am most certainly willing to give our friends the benefit of our experience and I most certainly would favor labor laws for Europe aimed at improving the living conditions of the workers.

Mr. President, today the same old monopolies and cartels are operating in Europe today as before the war, or at least their blood brothers or cousins, with their same old goals of charging as much as the traffic will bear, limiting production if this helps get a higher price, and paying as low wages as possible. Some progress has been made toward Mr. Hoffman's goal of integration but as General Eisenhower's bold speech showed, a few months ago in London, the progress is tragically disappointing.

Mr. President, to illustrate how the workers of Europe are faring, in contrast to those of the United States, I have here from the Monthly Labor Review a table of the buying power index of hourly earnings in the various countries of Europe, in terms of food, in comparison with the United States. Each figure shows the number of hours it takes a worker in the United States to earn the food that it takes a worker in each of these countries 100 hours to earn. I ask unanimous consent to insert it here at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Index of purchasing power of hourly earnings in terms of food, prewar, 1949 and 1950

[United States=100]			
	Prewar	1949	1950
Austria (Vienna).....	38	26	28
Denmark.....	73	80	73
France (Paris).....	68	37	31
Germany.....	51	32	38
Great Britain.....	46	71	62
Ireland.....	44	46	46
Italy.....	26	24	24
Netherlands.....	45	47	38
Norway.....	68	88	84
Sweden.....	60	68	63
Switzerland.....	49	51	46

Mr. BENTON. To illustrate, what this table shows is that a United States worker puts in 31 hours for the food for which a French worker labors 100 hours; or only 24 hours for what it takes an Italian worker 100 hours. In general, the table shows that most European workers must work twice as long as Americans for the same quantity of food. The contrast, I assume, would be far more marked for most types of industrial products.

Now, Mr. President, the papers over the week end carried a most important statement from the distinguished chairman of our Finance Committee, the Senator from Georgia. He said openly to the press something that is in the

minds of millions of Americans. He asked whether, if European production is 140 percent of prewar standards, thanks to our Marshall plan aid, is not this good enough? Is it not about time we put a stop to the aid in view of our own unbalanced budget and our urgent financial needs growing out of the defense program?

Mr. President, the table I have just inserted does not indicate that Western Europe has progressed in the development of its productivity as much as most people would assume when they hear this figure of 140 percent in contrast to prewar.

Of all commodities, most Americans would assume that food should be most comparable in terms of hours of labor.

I feel that the statement of the able Senator from Georgia to the press urgently requires discussion as we debate this bill. Just what is happening to this 40 percent increase in production? Certainly the table I have inserted seems to show that the workers do not seem to be getting much of it. Where is it going?

First, let me point out that consumption of industrial products per capita in Europe today is almost exactly at the 1938 level, which, put another way, means that no higher percentage of people is able to buy a refrigerator today than in 1938. Then where is the increase? How do we reconcile this 40 percent increase with the fact that Europe is not enjoying a higher standard of living than existed in 1938?

Mr. GEORGE. Mr. President, will my friend from Connecticut yield?

Mr. BENTON. Yes; I am glad to yield.

Mr. GEORGE. I am not as familiar with Europe as I might be, but when we begin to tax washing machines and vacuum cleaners in these United States to get a little money to pay the bills of other countries, I think it is time we were thinking a bit about our own people at home.

Mr. BENTON. Mr. President, I share that view wholly. Taxes of that kind are regressive and highly harmful to the American economy and people. They handicap and hold back American industry. I share with the Senator his alarm. We are choosing here tonight between evils, when we are appropriating this kind of money for our allies in Europe for the defense program at the cost of these highly oppressive and harmful taxes upon the American people.

I should like now, Mr. President, to explain where the 40 percent increase in European production is going.

The increase of 40 percent in European production stimulated by the Marshall plan is being used as follows:

First. About 16 percent of the 40 percent represents an increase in exports. This increase in exports has been essential to the maintenance of the European economy. Without it Europe would not pay for essential imports. Before the war Europe paid for a large percentage of its imports through returns from investments abroad, investments which had been accumulating for centuries. But between 1938 and the end of World War II Europe was forced to liquidate

a major part of those foreign investments. Without this income, once used to pay for essential imports, Europe must now export more. As Hitler once said, "Export or die."

This serious loss of capital on the part of the European countries can only be rebuilt slowly, and the former return on the capital can only be replaced immediately through exports.

Second. Another 10 percent of the 40 percent increase goes to take care of the increase in population in Western Europe since 1938.

Third. Where the remaining 14 percent increase goes is more complex. Much of it is accounted for by the continuing urgent needs for reconstruction in the field of industrial facilities, housing, and so forth, to replace the great destruction of the war. In France, for example, 1 out of every 22 houses was destroyed during the war. This reconstruction of housing is manifestly an added load, over and above the stepped-up program of investment in armament and armament-supporting facilities. I do not have exact figures on the comparison of Europe's present armament program with that of 1938, but it is notably higher, and this armament is absorbing a good part of this remaining 14 percent. Manifestly it is very much in the interest of the United States for Europe to be producing armaments which we might otherwise feel compelled to produce here, thus adding still greater strain to our already overburdened domestic economy.

Mr. President, one thing this quick analysis immediately shows is that this 40-percent increase over prewar production is not anywhere near enough for Western Europe—if communism is to be resisted through the improvement of living standards, and if the big rearmament job is to be done and the strong defenses built which are a key goal of American foreign policy.

Thus I submit to the Senate that in striving toward still higher levels of productivity, both for armaments and ultimately for the civilian population as well, it is essential that the United States on its part, notably while we have influence and leverage in our dealings with our friends in Europe, shall continue to urge upon them, in all legitimate ways, the great goal of elimination or at least radical reduction of those artificial restrictions and barriers which hamstring productivity. These restrictions cover both those which are imposed by governments and, almost certainly of far greater long-range potential for harm, those which are worked out by private manufacturers who form and operate the great combines and cartels. Indeed, many of the former type of restrictions by governments, are themselves fostered and generated by the privately operated monopolies.

In England, for example, where the private arrangements to restrict trade or production are perfectly legal and have been practiced for decades—in the chemical, steel, and other industries—the businessmen do not need special laws on the statute books to approve these arrangements. There have been no laws

to forbid them and the financial men of the city of London have moved ahead to make things nice and pleasant and orderly—to "rationalize," as the cartellists say—which means to eliminate competition and to guarantee a nice fat profit at a nice fat price. Over the decades these monopolistic practices have been eased in gently and softly through the trade associations and otherwise. The British business community, even today—although in my judgment they have helped provide the basis and the argument for the present Socialist government—but even today is surprised at the idea that such private deals hurt the economy of Britain through limiting total production and holding back the development of new, improved, and cheaper products.

In France, I am informed by a leading official of ECA, authority for these private restrictions which hamstringing production is actually provided by law.

Some of my colleagues may recall a penetrating comment by the brilliant Geoffrey Crowther, editor of the London Economist. Speaking here in the United States, he said:

You in the United States put a man in Sing Sing Penitentiary for the very same things which cause us in England to put him into the House of Lords.

Growing out of my visit to Italy last year as a delegate to the UNESCO Conference, I am particularly interested in developments in that country. Only recently the present government under the leadership of Minister Togni, head of the Industry and Commerce Ministry, has attempted to secure legislation curbing, limiting, and controlling monopolistic agreements. So far, however, strong opposition from the industries involved has stopped such legislation. It was because of such attitudes on the part of the Italian industrialists that I reminded them in my talk at Rome of the dictum of Karl Marx, which I once before quoted to the Senate and probably will again—that "a businessman will commit suicide for a short-term profit."

This proposal of Minister Togni—now being so violently opposed by Italian business leaders—is designed, as I understand it, only to provide for the determination of official facts on the existence and effects of cartels, so that public opinion may be aroused to limit their abuses. His proposal doesn't forbid anything or condemn anything.

Mr. President, I hope that the foregoing brief remarks will persuade the Senate that the first point of my amendment is needed as a part of this legislation. This is the point dealing with our projected efforts to discourage the entrenchment of the European monopolies and cartels and thus to help develop competition and productivity. It may be that our leadership in this area could prove to be the most important long-run effect of the Marshall plan. I am one who still hopes that this may prove to be so.

Mr. President, you will notice that my suggested amendment has two parts. The second part deals with the urgent importance of administering any funds appropriated by us under this act in such a way as to encourage the development

of the free labor union movements of Europe as strong and influential agents of the working men and women of Europe in their collective bargaining with their employers.

The overwhelming dominance of the Communist unions in France and Italy is not generally realized in the United States. Even less generally realized by American businessmen is the fact that many of the dominant continental manufacturers would rather deal with the Communist unions than support and develop the free labor movement. This should not surprise too greatly those of us here in this country who know that we have had similar cases among our own businessmen even here at home. The Communist union leaders will sell out the workers at the drop of a hat, or connive with employers to sell them out, if this results in advancing their selfish interests or the cause of communism as they interpret it. However, our American counterparts of these European businessmen, who prefer to deal with the Communist unions, could argue that the overwhelming probability—indeed, in my judgment, the certainty—is that we are not going to go Communist in the United States, or Fascist either. I have great faith in our people's political judgment, far greater than most, if not all, of us in the Senate have in the political judgment of the people in many of the countries of Europe.

Mr. President, may I have a warning when I have only 2 minutes remaining? I would appreciate such a warning, in order that I can come to my concluding remarks.

The VICE PRESIDENT. The Chair will give the Senator warning when he is within 2 minutes of the end of his time.

Mr. BENTON. Mr. President, the expectation of the European businessmen who like the contracts provided by American dollars, but who prefers to deal with the Communist unions—his expectation is quite different. Many a European manufacturer hopes that the Communist menace, at the psychological moment, will be met by a political swing to the Fascist inclined right. This hope induces him, in my judgment, to run the grave risk to himself, as well as to his country, in preferring the short-term profit from his dealings with the Communist unions to the long term political and economic stability which strong, free, independent labor movements, which place their reliance on collective bargaining rather than political pressures and shenanigans, can and would help develop.

The continental businessmen who think they can ultimately control communism with an antidote of fascism and can thus safely deal with the Communist-dominated unions, may prove to be as wrong as were the British businessmen who thought they could set up their cartels and monopolies and successfully control the labor and Socialist movement of Britain.

American financial aid has already done much to promote European recovery. Very much remains to be done and the need is still urgent, perhaps even more urgent per dollar which we are to-

day prepared to invest. We have in the past few years, under the brilliant leadership of Mr. Paul G. Hoffman, and now under his able and talented successor, Mr. William Foster, we have taken a calculated risk in Western Europe. Our efforts have thus far proved successful. If we had the choice all over again, I think we would move ahead more boldly, and not less so—more firmly, perhaps, in line with Mrs. McCormick's keen column of last Wednesday, rather than less so. Though I attest again to the fact that ECA leadership in Europe and here in Washington has sought action, and not publicity, and through undercover pressure and exhortation has achieved countless reforms in the European economies. But if this progress in Western Europe's economy is to prove abiding, if it is to prove continuous and dynamic, American efforts must be still further reinforced. We have had notable leadership in the administration of these funds in the past. We must, I believe, again and again renew our efforts to achieve those institutional changes in the European economy which will not only promote trade and commerce, which will not only make for higher wages, lower prices, and economic abundance, over the long pull, but which will help develop stable and democratic political institutions. Our Government administrators must be continuously encouraged to implement and strengthen our present policy in terms of an even more aggressive program designed to step up productivity and to achieve political stability. Only thus can America make the permanent contribution to Europe which is our goal—the preservation of the economic and political freedom of the Western World.

Mr. President, I am glad to be able to report that I have discussed my amendment with executives of the ECA. As I have said, it is wholly in line with their present policy and thus they are wholly in accord with its objectives. The first purpose of the amendment is to strengthen their hands, in their negotiations and in their implementation of the policy urged by the amendment. The amendment will, I believe, give added encouragement to each and every key officer of the ECA and the State and Defense Departments toward a constant and active interest in the problems I have discussed today. Perhaps the most important purpose of the amendment, however, is once more to show our friends and allies in Europe that we feel we have an important contribution on the economic front to make to them, out of our experience in developing our great American industrial strength which is the envy of the world. My hope is that this amendment will encourage the political leaders of Europe, such as Mr. Togni, of Italy, to move ahead further and faster and even more aggressively toward the reforms that are so urgently required in their countries if communism is to be more skillfully combated. My further hope is that through this action which I am urging upon the Congress the leaders of the free labor movements of Europe, such as Mr. Pastore, the head of the important free Italian labor move-

ment, with whom I met last year in Rome—to move ahead with hope and courage in their struggle with their larger, richer, and more powerful rivals, the Communist unions, in the knowledge that the American Congress and people not only approve of their leadership, but seek the development of American foreign policy along lines which will, wherever suitable and legitimate, give them the kind of support they so much need and deserve.

Mr. President, I urge the adoption of my amendment. If it fails of adoption, I want the RECORD clearly to show that this need not indicate that the amendment fails to interpret the will and desire of the Congress, but because the distinguished chairman of the Foreign Relations Committee has announced he is opposing all floor amendments, which have not been heard by the committee, regardless of their merit.

The VICE PRESIDENT. The time of the Senator from Connecticut has expired.

Mr. BENTON. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD two newspaper articles, one by the junior Senator from Michigan (Mr. Moody), and the other by Ann O'Hare McCormick, published in the New York Times of August 29, 1951. These bear brilliantly and directly on the problems I have been discussing.

There being no objection, the newspaper articles were ordered to be published in the RECORD, as follows:

AS SENATOR MOODY SEES IT—EUROPE HAS JUST DISCOVERED SECOND INDUSTRIAL REVOLUTION

(By BLAIR MOODY)

The United States is paying through the nose today for the archaic industrial and social system that prevails in Europe. Most of our allies are just beginning to discover the second industrial revolution.

That costs us money. Had the cartel-minded, feudal economic leaders of Europe begun to think two decades ago in terms of high production, high wages, and reasonable prices, with large profits through vast volume, the mutual-security bill before the Senate—measuring the American share of building allied strength against communism—could be billions less.

Modern industrial methods, as every American knows them, rarely exist in Europe. American technical experts have been busy for 2 years under the Marshall plan showing their allied opposites the tricks of mass production, and today American tools are making it possible for our allies to produce more weapons faster.

There is a great deal to be done, however, before the Continent's structure will have been modernized. There exist conditions which shake the allegiance to the present system of many who instinctively would shun the idea of a slave state, were the issue put to them clearly. There exist tax systems that soak the poor and spare the rich. There exists a wage system, in countries such as France and Italy, so low in comparison with what may be bought at high prices as to fertilize the soil for the Kremlin.

FEWER PEOPLE, MORE OUTPUT

These are some reasons why we in America, with fewer people (154,000,000) than our allies (175,000,000) turn out nearly three

times as much production (\$325,000,000,000 as against \$125,000,000,000 a year).

This is the basic reason why the United States must vote so large an amount for military assistance if it wishes to equip the Eisenhower army at anything approaching adequate speed. These are the unpalatable facts of allied economic life, faced each morning before breakfast by General Eisenhower and his staff at Marly, and by our diplomatic and economic officials at London and Paris.

But that other fundamental, even more unpalatable, fact remains: Red aggression is a menace. This is the Atomic Age. We must import 167 critical materials to sustain our industrial strength, and for this, if no other reason, it would be inviting disaster to "go it alone," and there just isn't time to build European production fully along American lines before Eisenhower's army. Some Americans closest to the picture feel that even now our whole timetable of strength, measured against the danger, is slow.

In a sense, Eisenhower and his civilian associates in Europe are striving to keep a team of wildish horses from plunging in opposite directions and tearing the rig apart. His problem is how to get maximum performance out of our allies, while obtaining adequate appropriations from Congress.

HOPE IS CHIEF INGREDIENT

The chief ingredient of greater effort by Europeans is hope. The feeling that if they produce and fight they will be able to defend themselves successfully, if the Reds strike, brings out a maximum "pitch." Eisenhower is a wizard at cultivating this psychology. One of his principal fears is that drastic cuts by Congress of the United States share may stifle it.

In Congress, any sign that our allies are doing less than their maximum performance is the most effective argument for sharp reductions. One great facet of the Eisenhower problem is to convince the Europeans that Congress is basically behind them, while convincing Congress that the Europeans are not shirking.

Under the direction of Milton Katz, Marshall plan roving ambassador, now retiring, American experts have estimated what allied nations can do, in the line of military production and financing, without seriously undermining their economies. Some countries, notably Britain, closely approach this maximum effort. Others, the chief current example being Belgium, are rated by our experts far below their capacity.

If Congress wants to insure maximum mutual effort, to justify the large sums being voted for mutual security, it could do worse than write a condition in the law, or make its legislative intent clear, requiring that the contribution of each allied nation come to within 90 or 95 percent of its American-estimated capacity effort. (The margin would be for emergency, or error in estimate.)

THIN LAYER OF LUXURY

Beyond that, our top men in Europe believe it would be unwise to go. They point out that, because of the feudal, productive methods there is little fat on any European economy, except the thin layer of lush luxury enjoyed at the top in some countries. This could be moderated by collecting taxes.

General Gruenther, Ike's brilliant chief of staff, points out that a pair of shoes which can be bought with 7 hour's average wages in the United States, requires 13 hours in England, 26 in France, 55 in Italy, and 60 in Russia. A pound of butter costing 34 minutes work in the United States, requires 40 minutes in the United Kingdom, 3 hours in France, 3½ hours in Italy, and 6 hours in Russia.

Building military forces in Europe is cheaper too. A French conscript is paid 7 cents a day. A captain in the French Army is paid less than a French waiter. The two girl warrant officers in Gruenther's outer office get more than a French colonel.

That is one reason American officials want Congress to help build European forces for the anti-Communist army. It is cheaper. Another reason for helping the Europeans to equip—and equipment is the bottleneck—is so they will do their own fighting.

General Eisenhower is successfully stifling the idea, once all too prevalent, that we may be expected to do it for them. It's a team job, and all members must play hard, or the game is off.

ABROAD—ON ATTACHING STRINGS TO AMERICAN AID

(By Anne O'Hare McCormick)

The question whether the United States should place conditions on its aid to other countries has come up at every stage of the European Recovery Program and is raised again now in connection with military assistance to nations within and outside the North Atlantic Treaty Organization. Opponents of the Tito regime in Yugoslavia advance the same arguments as opponents of the Franco regime in Spain: If it is expedient for this country to make loans or grants to dictatorships, they say, at least we should insist on changes that would make the governments more responsive to the popular will. Not a few Members of Congress argued that we should have demanded support of American policy in the United Nations in return for wheat for the relief of the famine-stricken in India. Fortunately this view did not prevail.

The grant of grain was not made contingent on Indian agreement with the West on Korea, and that action will not be rescinded because the New Delhi Parliament loudly cheers the Prime Minister's negative attitude on the Japanese Treaty. Like the ministrations of UNRRA to the war victims, no political conditions were or should have been attached to the gift of wheat to the starving Indian provinces. Elemental human need is not something to bargain over, even though it is true that United Nations help in the postwar period helped also to buttress the power of governments that have since become fiercely hostile to the aims of the United Nations and the United States.

PLEA FOR FORCE

Making terms for grants for industrial development is something else again. Americans who have talked with responsible officials in Europe on the effects of the Marshall plan, for instance, have frequently been told that the United States was missing a unique opportunity to press for needed economic and social reforms. Soviet-propaganda pictures this country as a slave master, using the power of the purse to buy allies and gain control over the economy of Western Europe. Some embittered left-wing and right-wing groups within the allied community accept this caricature; they admit they have been saved by American aid, but at the price of being dragged along by our chariot wheels.

A great many European leaders, however, complain that far from dictating too much, the administrators of ERP have not dictated enough. Over the past 4 or 5 years, in every capital, this reporter has listened to harassed ministers lamenting that the United States failed to use its financial power to force the governments it helps to put through essential measures. "You are in position to make us do what we know should be done and lack the force or courage to do ourselves," they repeat. "You can afford to take the rap." They grumbled—off the

record, of course—that we do not act like a great power, or as great powers have acted in the past, laying down terms and insisting on a quid pro quo. We give plenty of advice in public and are very chary of talking tough behind the scenes.

Take the matter of economic integration. There is a general though reluctant agreement among the continental nations that conditions in the postwar world require that they act as a unit. This became apparent to American policy makers as soon as they came to grips with the problem of European recovery. Until then they had not thought much of European unity, but as soon as they addressed themselves to the task before them unity seemed so necessary that they regard it as a required, even an easy, solution. It is not easy; as a political prescription, it calls for incredible skill to prepare and almost superhuman fortitude to take.

NEED FOR UNITY

Yet it is a life-and-death struggle for the ills of a continent so mangled that the western half can survive only if it acts as one. It is proof of General Eisenhower's remarkable perceptiveness that as soon as he took a good hard look at the job of building a western defense force he became the most persistent and eloquent advocate of political and economic unification. It is not by accident that he has been harping on this string ever since. He told a congressional committee this summer that he held the naive belief that France and Germany are going to grow closer and that "joining Europe together is the key to the whole thing."

"I am very hopeful that many of our problems would disappear," he is quoted as saying, "if this whole area of Western Europe were one federal union. I believe it so strongly that I do not believe real security is going to be felt in the United States, in the British Empire and the other nations of the world until that comes about."

The National Planning Association has come forward with a report, prepared by former policymakers of ECA, which unequivocally asserts that "no program less dramatic and inspiring (than union) offers a chance of rallying European loyalties and reviving European morale; no arrangements less concrete or thorough can provide an institutional framework whether for the Continent or the Atlantic area adequate for the burdens it must bear."

Here, certainly, is a point at which the United States can make the conditions and exert the pressure which farsighted Europeans ask for. Here is a test, as the NPA emphasizes, of whether we possess "the economic and military strength, the political self-confidence and morale which are the catalysts required" to realize the dream.

THE VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Connecticut [Mr. BENTON] to the committee amendment. [Putting the question.]

Mr. DOUGLAS. Mr. President, I ask for a division.

Mr. BENTON. Mr. President, I ask for a division.

The Senate proceeded to divide, Senators favoring the amendment rising.

Mr. TAFT. I suggest the absence of a quorum.

THE VICE PRESIDENT. The Chair has not recognized the Senator for that purpose. We are in the midst of a count. Senators who have been counted will be seated.

The Chair now recognizes the Senator from Ohio.

Mr. TAFT. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	McKellar
Bennett	Hendrickson	McMahon
Benton	Hennings	Millikin
Brewster	Hill	Moody
Bridges	Hoey	Morse
Butler, Md.	Holland	Mundt
Byrd	Humphrey	Murray
Capehart	Hunt	Nixon
Carlson	Ives	O'Mahoney
Case	Johnson, Colo.	Pastore
Clements	Johnson, Tex.	Russell
Connally	Johnston, S. C.	Schoeppel
Cordon	Kefauver	Smathers
Dirksen	Kem	Smith, Maine
Douglas	Kerr	Stennis
Dworschak	Langer	Taft
Eastland	Lehman	Thye
Eaton	Long	Underwood
Ellender	Magnuson	Watkins
Frear	Martin	Welker
George	McCarthy	Young
Green	McFarland	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BENTON].

Mr. DOUGLAS. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CONNALLY. Mr. President, is not the amendment open to debate?

The VICE PRESIDENT. The yeas and nays have been ordered, but that does not shut off debate.

Mr. CONNALLY. Mr. President, I yield 5 minutes to the Senator from Ohio [Mr. TAFT].

Mr. BENTON. Mr. President, a parliamentary inquiry—

Mr. TAFT. Mr. President—

Mr. BENTON. After a division has been called for, can the matter then be reopened for debate?

The VICE PRESIDENT. There was not a division. There was only half a division. [Laughter.]

The Senator from Connecticut has exhausted his time, but there is still 15 minutes on the other side.

The Senator from Ohio is recognized for 5 minutes.

Mr. TAFT. Mr. President, it seems to me that this proposal of the Senator from Connecticut is a most outrageous interference with the internal affairs of other nations. If we get into anything like this, it seems to me that we shall meet with ill favor and unpopularity. We shall utterly fail in our purposes.

So far as I can see, under paragraph 2, this is a proposal, in effect, for imposing a Sherman antitrust law in every country in Europe, and also a Taft-Hartley law.

Mr. President, this is not just a chance amendment. Let me read from an article published in the Wall Street Journal of Friday, August 10, regarding the intention of the Economic Cooperation Administration. The article reads, in part, as follows:

WASHINGTON.—The Economic Cooperation Administration intends to go into the banking business—create a sort of intercontinental RFC.

It would be a peculiar kind of banking. Social reforms would be demanded from each borrower before he got his loan.

ECA expects to lend directly to British, Belgian, Italian, and other private European manufacturers who want to modernize their plants along model lines devised by experts to be hired by the agency. But only if they promise to keep their profit margins low, improve working conditions, and pay higher wages to their help.

Any overseas captain of industry who wants one of these ECA loans would have to accept a package deal. He must agree to welcome an ECA-supervised survey team which will include management specialists, market analysts, plant layout men, labor relations authorities, accounting wizards, efficiency experts of every stripe. The team, arriving in waves, would work out a plan to build up his factory's productivity. If the manufacturer agrees to the recommendations—and can't get the money at his local bank—then ECA intends to lend him the money he needs to do the job.

If an industrialist wouldn't go along on this proposition he wouldn't get his loan.

Credited with being originators of this new productivity plan are two ECA officials, William H. Joyce, Jr., and Robert Oliver.

It seems perfectly obvious to me that in the ECA—supported by the Senator from Connecticut—there is an obvious intention of moving into Europe and making over Europe according to plans which are particularly approved by the present officials of ECA. They may be in accord with our national policies in the two respects prescribed by the Senator from Connecticut. They are in effect with our national policies; but do they fit the other countries?

Mr. BENTON. Mr. President—

Mr. TAFT. I am sorry; I do not have enough time to yield.

The VICE PRESIDENT. The Senator from Ohio declines to yield.

Mr. BENTON. Mr. President, I remind the Senator from Ohio that I yielded to him.

The VICE PRESIDENT. The Senator from Ohio declines to yield.

Mr. BENTON. I yielded to him, and I did not have enough time.

Mr. TAFT. The Senator yielded once. Let me finish first. That is what he told me.

As a matter of fact, do our plans fit these other countries? I agree with the Senator from Connecticut that in general the British have made a great mistake in not having a Sherman antitrust law. But, after all, that is their business and not ours. It does not necessarily follow.

Take the Schuman plan. What is the Schuman plan? It is a steel cartel for Europe. Apparently, according to the economists in Europe, it is the most popular and progressive idea they have had in many years. Yet it is a complete monopoly which divides up the steel, provides where it can be made, and what to do with it.

As a matter of fact, in international affairs we have not risen above the cartel idea. What is the international wheat agreement except an agreement to divide up the wheat market of the world, supported by the United States? Our whole sugar plan, from an international standpoint, is a cartel, a division of the market,

violating every principle of the Sherman antitrust law.

Mr. BENTON. Mr. President—

Mr. TAFT. Mr. President, it seems perfectly obvious to me that the United States has no business going into the internal affairs of other people and trying to impose on them the things which may be right for us—

Mr. BENTON. Mr. President—

Mr. TAFT. We have no means of judging. We have no familiarity with conditions in those countries.

Mr. BENTON. Mr. President, will the Senator yield for a question?

Mr. TAFT. Our ideas may be better than theirs.

Mr. BENTON. Mr. President—

Mr. TAFT. Mr. President, I object to the constant interruptions by the Senator from Connecticut.

The VICE PRESIDENT. The Senator from Ohio declines to yield.

Mr. TAFT. Mr. President, it seems to me that we have come now to the point where we are fighting a war against communism. We are not trying to reform the world. If we undertake to reform the world we shall utterly and completely fail in our job. We shall bring down upon our heads the destruction and the resentment which we justly deserve.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BENTON] to the committee amendment.

Mr. CONNALLY. Mr. President, I very much hope that the Senate will not adopt this amendment. It seems to me that it is perfectly improper to put an amendment such as this in this particular bill. It might be desirable to do some of the things which the Senator from Connecticut wants done, but we ought not to do them when we lend other nations a helping hand to aid them in their recovery. We ought not to say to them, "You must do so and so."

I hope very much that the amendment will be rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BENTON].

Mr. MORSE. Mr. President, the yeas and nays have been ordered.

Mr. BENTON. Mr. President—

The VICE PRESIDENT. The time of the Senator from Connecticut has expired.

Mr. HUMPHREY. Mr. President, I wish to offer an amendment.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Minnesota offers an amendment to the amendment offered by the Senator from Connecticut, which the clerk will state.

Mr. HUMPHREY. My amendment is in line 5, to strike out the words "readily feasible."

The VICE PRESIDENT. Is that line 5 of the amendment of the Senator from Connecticut?

Mr. HUMPHREY. Line 5 of the amendment proposed by the Senator from Connecticut.

The VICE PRESIDENT. The clerk will state the amendment to the amendment.

The CHIEF CLERK. In line 5 of the amendment offered by Mr. BENTON it is proposed to strike out the words "readily feasible," so as to read:

It is hereby declared to be the policy of the Congress, that, to the extent that it is and does not interfere—

And so forth.

Mr. HUMPHREY. I yield 5 minutes to the Senator from Connecticut.

Mr. BENTON. Mr. President, I am grateful to the distinguished Senator from Minnesota for his parliamentary skill which provided this extra time for discussion. Most assuredly it seems to me to be very unsound for us here tonight to permit some of the statements made by the Senator from Ohio [Mr. TAFT] to go without further exposition before we vote. I may start back with my answer to the Senator from Ohio on the Schuman plan, a few moments ago. There is a profound difference between publicly operated cartels, much as we may object to them, and privately run cartels. The latter are run by private individuals, for their personal and their company's profit, with no personal responsibility whatsoever for the public welfare.

A week or two ago I stood up on the floor of the Senate with only three other Senators who voted against what the Senator from Ohio has called the sugar cartel, which has been set up under law and has been operating in this country since 1934. I voted against that sugar bill, which provides the big payments to only 85,000 farmers, many very big out-fits, many very rich, a high percentage in Hawaii, some getting annual subsidies of half a million dollars or more. The policy embodied in this bill has cost the taxpayers of this country \$900,000,000 since 1934.

Mr. President, there were only four of us who voted against this bill: Senators FULBRIGHT, PASTORE, KEM, and me. Yet if ever there was a time to get rid of this costly policy, and let these farmers convert to other production while the Philippines and Puerto Rico, on which we are spending so much money, raise sugar for us—now is the time. This cartel is a tax on every housewife.

Instinctively I do not like any kind of cartel. I dislike a public cartel and I dislike a private cartel. However, there is a great distinction. The Schuman plan which is being set up in Europe is a form of public cartel. It is judged to be greatly in the public interest, indeed essential to the cause of peace. This overcomes my dislike of public monopoly. It is being set up by supposedly responsible public officials, as, for instance, Foreign Minister Schuman. Now contrast the public cartel with the private cartel. The latter is operated for the personal profit of the managers and their stockholders. Here we have an enormously important distinction.

Now, Mr. President, I submit that the end economic objective of the Marshall plan money is to increase productivity. What fools we Americans would be if we took these billions of dollars to

Europe and turned them over automatically, with absolutely no control whatever of any sort or without any effort at guidance on our part to our friends in Europe. We are the experts in this era of productivity. We in the United States have reached heights of technical skill and knowledge never before touched or matched by anyone in the world. It is our money, shall we toss it on the waters without guidance in the very field in which we are the masters?

I am sure that if we took these billions of dollars to Europe and just tossed them across the table with the statement, "Oh, no, we have no right, even though we are the people who are putting up the money, to make any suggestions, or to try to help you put it into those productive channels in which we are the experts?" I am sure that if that had been or were to become the policy of the United States Government, there would be a constant and swelling stream of the most severe criticism from my friends across the aisle, including the Senator from Ohio [Mr. TAFT] and the criticism would be wholly right.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. BENTON. I yield.

Mr. MOODY. I wish to ask the distinguished Senator from Connecticut if it is not true that the industrial system in Europe is an archaic system? And is it not also true that they have not yet learned about the second industrial revolution, which has brought about mass production, low prices, high wages, and profits based on great volume? That is one reason we are called upon to vote large sums of money for the relief of Europe. It is one reason why Europe cannot produce its own arms. I believe this is a constructive amendment. I congratulate the Senator for offering it, and I hope the Senate will adopt it.

Mr. BENTON. I agree largely with the Senator's comment and wholly with the spirit of it. The most important observation of the able Senator from Michigan, along the lines of his question, are covered very well in the article written by him which I have just inserted in the RECORD.

Mr. President, I have followed the British economy closely over the past 10 years or more. There is no question in my mind that the monopoly system, the cartel system, made possible by the absence of antitrust laws in England, have led directly to the take-over of the British Government by the Socialists. As the Senator from Michigan suggests, this system in many industries produces methods archaic by American standards, and these in turn accelerate the harmful effects of the cartel policy of limiting production, dividing markets, and fixing prices.

Further to pursue the questions raised by the Senator from Ohio [Mr. TAFT] I deny that, within the purview of our foreign policy, it should or can ever be outside the concern and interest of our people as to whether socialist movements develop overseas. This whole bill today is aimed at the prevention of Communist movements. I have heard the British Socialist Government

attacked many times in the floor of the Senate, and often used as an argument against major proposals to strengthen our foreign policy.

In my previous talk I gave an illustration from Italy, the story of Mr. Taguis' efforts to get information about the cartels and this story bears directly on the comments of the Senator from Ohio. There are 2,000,000 unemployed in Italy. The great Communist-dominated union bestrides Italy. In the election before I visited Italy a year ago, industrial Milan went 52 percent Communist. Ninety percent of the governors in the wonderful province of Tuscany, around Florence, were Communist mayors. The very debate on this bill, the fact we are here tonight, shows that, of the greatest concern from the standpoint of our foreign policy is that this sweeping and creeping spread of communism be stopped in Europe.

Where do Communist leaders first seek to infiltrate? They go first into labor unions, as the Senator from Ohio [Mr. TAFT] so well knows, and as borne out by certain sections of the Taft-Hartley law dealing with Communist union leaders, sections with which I heartily agree. Yes; the Communist agents and operators in our own country have headed for the labor unions just as abroad, and also for the media of communications and for education.

The VICE PRESIDENT. The time of the Senator from Connecticut has expired.

Mr. HUMPHREY. I yield two more minutes to the Senator from Connecticut.

Mr. BENTON. Mr. President, we can do much as we spend these vast sums to encourage reforms abroad without interfering with or seeking to run or dominate the European economies or politics. There is nothing in my amendment except encouragement toward needed reforms. But let me offer an example of another kind from Italy. In Italy many of the rich landowners and manufacturers virtually pay no taxes at all. In contrast, in Italy there are 43 taxes on a cup of coffee, the kind of taxes that bear heavily on the poor.

How does the rich industrialist and landowner avoid the taxes? He "negotiates"—that is a nice word, negotiate—with the tax collector, in line with age-old custom. He makes a little negotiated settlement for a couple of thousand dollars, let us say, against an income of \$50,000. The little professional man, who may make only about \$1,200 or \$1,500 a year, is paying 30 percent or more in taxes. Now in line with the previous comment of the Senator from Georgia about our own taxes, and the terrible burden upon us, rising to over 90 percent upon the very rich, and in line with the vast sums we have poured into Italy which we have collected from our people, is not it incumbent upon us to encourage tax reform in Italy? and land reform? These two reforms, with cartel reform, might achieve more in carrying forward a successful fight against communism than all our billions.

Mr. IVES. Mr. President, will the Senator yield?

Mr. BENTON. Yes.

Mr. IVES. I should like to ask the Senator from Connecticut if what he is trying to do is not to force Europe to adopt procedures, activities, and relations which have proved so successful in this country, but to encourage them to do so. It is not the intention to force them to do so, is it?

Mr. BENTON. I am happy to have the Senator make his comment, because my amendment very carefully states first that nothing shall be done under it except in line with the achievement of the purposes set forth in the act, and further that nothing shall be done that is not readily feasible. There is no instructions in this proposed amendment. It is wholly a form of encouragement first to our public officials responsible for negotiations in our own country and abroad; secondly, to the vacillating political figures of Europe, who are subject to the great pressure of the cartels; and, finally, to all those courageous and far-sighted men who are fighting, often against great odds, for freedom, for competition, for productivity, for the development of strong and vital non-Communist unions dedicated to the welfare of the workers.

I previously referred to Minister Togni of Italy, and I suggest that he represents a viewpoint which should be strengthened. Here tonight we can help strengthen it. What my amendment does is to encourage all leaders who are fighting for reform and freedom and who are seeking to develop democratic processes in the European countries. My amendment encourages them to stand up on these issues, and courageously to do those things which will encourage the productivity around which the success of this program revolves, and around which the future economic welfare of the workers and people of Europe also revolves.

Once more, Mr. President, I urge that my amendment be adopted. The objections of the Senator from Ohio I claim to be invalid.

Mr. HUMPHREY. I regret that it was necessary for me to offer my amendment, to enable the Senator from Connecticut [Mr. BENTON] to have a better opportunity to explain what I consider to be a very sound position on the proposal which is before the Senate.

We have heard repeatedly in the Senate about the dangers of socialism, as the Senator from Connecticut has pointed out. We have heard about the dangers of socialism from those who are complaining about this amendment. We have heard about the lack of productivity, the lack of incentive, and the lack of the will to resist in Europe. We have heard about it in the so-called great debate on the troops-to-Europe issue. We have heard about it in connection with the technical-assistance program and the military-assistance program. The Senator from Connecticut makes a proposal which merely expresses what is the sense of the American people and the Congress, namely, that we should try to permit a freer flow of trade and permit competition where competition is possible, and increase productivity where productivity is possible. How anyone can be against such a proposal I cannot understand.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. LONG. What the Senator from Connecticut has in mind is to declare that so far as we are concerned capitalism should be a good deal for everyone, not merely for a few.

Mr. HUMPHREY. What the Senator from Connecticut has in mind is that where the system of competition will work it should be encouraged, that productivity should be encouraged, and there should be no malingering and no half-time effort. We should use these funds to get the utmost in production, to the same extent that we ask it of our own people.

Mr. LEHMAN. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. When I listened to the distinguished Senator from Ohio, I recalled that one of his main arguments was that to carry out the provisions of the amendment proposed by the Senator from Connecticut would be crass interference in the affairs of Europe.

Mr. HUMPHREY. Yes, that is correct.

Mr. LEHMAN. I do not have the RECORD before me, but I wonder whether my recollection is correct, namely, that the Senator from Ohio voted in favor of the amendment proposed by the Senator from South Dakota [Mr. CASE], which amendment certainly provided that the President would be advised that Congress looks with favor on proposals in the form of a federation of the free states of Europe, and it provided that to advance that policy the Administrator should use his powers and duties under the act; and then the amendment recited the powers and duties so to be invoked.

In view of the fact that I believe the Senator from Ohio voted in favor of the amendment of the Senator from South Dakota—although I cannot make that statement as a categorical one—certainly the argument of the Senator from Ohio in regard to possible interference in Europe falls completely.

Mr. HUMPHREY. I believe the Senator from New York is correct; at least, what he has stated corresponds with my observation of the vote.

Mr. President, the countries in question were told that they could not ship iron or steel or phonograph needles behind the iron curtain. Is that interference with their business? Of course it is. If we can tell countries that they cannot do business with one another or cannot export food products or steel to certain other countries, certainly we can tell them that they should encourage competition.

Furthermore, the Senator from Connecticut did not document the case in regard to communism in the trade-union movement in Europe as fully as he should have. Certainly that case should be more completely documented.

The French Federation of Labor is filled with Communist leadership. It was the American Federation of Labor and the CIO here in the United States who sent their representatives to Europe to break up the World Federation of

Trade Unions and to set up a new movement. Was that interference? Of course, it was, but it was interference for freedom.

Mr. President, it is about time that we interfere for freedom. If we are going to authorize the expenditure of \$7,500,000,000, ultimately to be followed by appropriations in that connection, we should say a few words about what we have been talking about in this country for so long, namely, competition in production and a free labor movement.

Mr. President, the only thing wrong with the amendment is that some persons do not want to have it adopted. [Laughter.]

The only thing we should do at this long last is put up to the Senate the question, Do you favor production, or do you not favor production? Do you favor a free labor movement in Europe, or do you not favor it?

The amendment provides, in part, that—

(2) to encourage where suitable the development and strengthening of the free labor-union movements in Europe as the collective bargaining agencies of European labor.

I think that job should be done because today the danger in Europe is found in two ways—in the cartels and monopolies and also in the Communist-dominated labor movement, particularly in the two countries which have been named. Anything that we can do in that respect is worthy of our effort.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I do not yield now, Mr. President.

I wish to say that the Senator from Texas [Mr. JOHNSON], chairman of the Preparedness Subcommittee of the Committee on Armed Services, revealed not long ago that the nickel cartel was ready to bleed this country to the tune of millions of dollars, and that a rubber cartel and a tin cartel were ready to take the American Government and the American taxpayers for a ride to the tune of over a billion dollars.

If we are ready to spend large amounts of the money of the American taxpayers for the purposes of this bill, we certainly can spend some of it in terms of a free labor movement and competition in business and to increase productivity.

Mr. President, there is nothing wrong with the amendment. It is as good, as an amendment, as the Sermon on the Mount is good in spiritual terms.

If Senators vote to reject the amendment, they will be saying that although they talk about these matters they do no wish to do anything about them when the question comes to a record vote.

The VICE PRESIDENT. The time of the Senator from Minnesota has expired.

Mr. CONNALLY. Mr. President, I yield 5 minutes to the Senator from Illinois [Mr. DIRKSEN].

The VICE PRESIDENT. The Senator from Illinois is recognized for 5 minutes.

Mr. DIRKSEN. Mr. President, the engaging naiveté of the Senator from Minnesota really makes life bearable at this late hour of the day.

This proposal is not new. As a matter of fact, a press release on this subject

went out from New York City on July 26, and in it there is a discussion of the economic and political and social possibilities of the daring new adventure, which it is said was about to be undertaken. Of course, if it is engaged in, it will make the ECA permanent.

Mr. President, what would this amendment do? First of all, it would apply to all the Marshall-plan countries under title I, all the ECA countries, and all the North Atlantic Treaty Organization countries.

So far as I know, governments still exist in those countries, and the adoption of this amendment would result in making a change to the extent of the provisions of the amendment in their existing laws.

It is said by the proponents of the amendment that the matters stated in the amendment are only recommended. However the amendment provides, in part, that "the assistance authorized by title I of this act shall be provided in such a way"—what kind of a way, Mr. President? Let the amendment of the Senator from Connecticut speak for itself on that point. It says:

In such a way as (1) to discourage the cartel.

Mr. President, how can it be discouraged? It can be discouraged by breaking it up. When it is broken into all its component parts, what would be done with them? The answer is that some \$13,000-a-year lawyers and assistants and statisticians would be sent to those countries from the United States. How would the purpose be served? Where would those persons be stationed?

O, Mr. President, this business will be delicious and wonderful before we get through with it, if we ever start it.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. DIRKSEN. Mr. President, I cannot yield now; I have only 5 minutes in all.

How will the purposes of the amendment be achieved? They will be achieved by sending our dollars to the Western European countries and also sending there certain persons from the United States to study competition there and to hold jobs there while they are making those studies. When all that is done—and it will take a long time—it is said that then productivity will be encouraged. How will it be encouraged, Mr. President? It will be encouraged by showing those countries how to manufacture shoes, tractors, Coca-Cola, and almost anything else as cheaply and efficiently by assembly-line methods as they are manufactured in the United States.

O, Mr. President, it is wonderful. That is why the proponents of this plan say they are interested in an expanding economy; that is what they have in mind in this respect.

O, Mr. President, this is a honey. We shall send over there several regiments, before we get through, to deal in the internal affairs of some 18 countries there and to expand their economies and to tie up their economies with every manner of social reform.

This plan will make the ECA permanent; we shall be in it up to our necks; we shall never get out of it, and we shall be making permanent pensioners by the millions. When that is done, the solvency of the United States of America will be sunk.

Mr. President, let me refer further to the press release which was issued from New York City on July 26. It was stated that "to formulate this program the administration has ventured into some daring ideas of economic policy."

I will say they are daring; and the word will be spelled with a capital D before they get through.

In the press release it is further said that "a policy of novel assistance is contemplated."

Mr. President, is not that grand? If that plan goes into effect, Senators should telephone the folks in their home States and should tell them to get ready to go to any one of those countries in Europe to proceed to participate in that novel drive to make it possible, under the concealment of general language which those who sponsor this plan have had in mind for months, for the ECA finally to proceed to capture for those countries every market in the world, with our help.

My friend from Connecticut has a great solicitude for union labor. So have I, Mr. President. However, I wonder to what extent we shall aid union labor when those who favor this proposal succeed in building up the program in such a way as to make sure that every market in the world will go glimmering, so far as our people are concerned, and thereby diminish and sharply reduce the standard of living in our country.

O, Mr. President, this amendment is grand. I like nothing better than this. I wish I were the Administrator, for I believe that under language of this kind I could proceed to take over at least 18 countries in the world.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Minnesota to the amendment of the Senator from Connecticut.

Mr. DOUGLAS. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, is the amendment which we are about to vote on, and on which there is a request for the yeas and nays, the amendment which I offered?

The VICE PRESIDENT. It is.

Mr. HUMPHREY. Then I withdraw the amendment.

The VICE PRESIDENT. The Senator cannot withdraw it, after the yeas and nays have been ordered.

Mr. HUMPHREY. I ask unanimous consent that I may withdraw the amendment.

The VICE PRESIDENT. Is there objection?

Mr. WELKER. I object.

The VICE PRESIDENT. Objection is heard. The yeas and nays having been ordered, the Secretary will call the roll on the Humphrey amendment to the Benton amendment.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Iowa [Mr. GILLETTE], the Senators from West Virginia [Mr. KILGORE and Mr. NEELY], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Nevada [Mr. McCARRAN], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is absent because of a death in his family.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BURLER], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Delaware [Mr. WILLIAMS] are detained on official business.

On this vote, the Senator from Washington [Mr. CAIN] and the Senator from New Hampshire [Mr. TOBEY] would each vote "nay."

The result was announced—yeas 4, nays 61, as follows:

YEAS—4

Cordon	Long	Magnuson
Langer		

NAYS—61

Aiken	Hayden	Millikin
Bennett	Hendrickson	Moody
Benton	Hennings	Morse
Brewster	Hill	Mundt
Bridges	Hoey	Murray
Butler, Md.	Holland	Nixon
Byrd	Humphrey	O'Mahoney
Capehart	Hunt	Pastore
Carlson	Ives	Russell
Case	Johnson, Colo.	Schoeppel
Clements	Johnson, Tex.	Smathers
Connally	Johnston, S. C.	Smith, Maine
Dirksen	Kefauver	Stennis
Douglas	Kem	Taft
Dworshak	Kerr	Thye
Eastland	Lehman	Underwood
Eaton	Martin	Watkins
Ellender	McCarthy	Welker
Frear	McFarland	Young
George	McKellar	
Green	McMahon	

NOT VOTING—31

Anderson	Jenner	Robertson
Bricker	Kilgore	Saltonstall
Butler, Nebr.	Knowland	Smith, N. J.
Cain	Lodge	Smith, N. C.
Chavez	Malone	Sparkman
Duff	Maybank	Tobey
Ferguson	McCarran	Wherry
Flanders	McClellan	Wiley
Fulbright	Monroney	Williams
Gillette	Neely	
Hickenlooper	O'Connor	

So Mr. HUMPHREY's amendment to Mr. BENTON's amendment was rejected.

The VICE PRESIDENT. The question, now, is on agreeing to the amendment of the Senator from Connecticut [Mr. BENTON].

Mr. HUMPHREY. I ask for the yeas and nays.

The VICE PRESIDENT. The yeas and nays were previously ordered on the Benton amendment. The Secretary will call the roll.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DOUGLAS. Is this the independent-small-business amendment for Europe?

The VICE PRESIDENT. It is the Benton amendment. The yeas and nays having been ordered, the Secretary will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON], and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Iowa [Mr. GILLETTE], the Senator from West Virginia [Mr. NEELY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from Maryland [Mr. O'CONNOR] is absent because of a death in his family.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate. If present and voting the Senator from Washington [Mr. CAIN] would vote "nay."

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND] and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Pennsylvania [Mr. DUFF] and the Senator from Delaware [Mr. WILLIAMS] are detained on official business.

On this vote the Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Indiana would vote "nay".

The result was announced—yeas 36, nays 30, as follows:

YEAS—36

Aiken	Humphrey	McMahon
Benton	Hunt	Moody
Capehart	Ives	Morse
Case	Johnson, Tex.	Murray
Clements	Kem	Nixon
Douglas	Kerr	O'Mahoney
Frear	Kilgore	Pastore
Green	Langer	Russell
Hayden	Lehman	Smathers
Hendrickson	Long	Smith, Maine
Hennings	Magnuson	Stennis
Hill	Maybank	Underwood

NAYS—30

Bennett	Eastland	McCarthy
Brewster	Eaton	McFarland
Bridges	Ellender	McKellar
Butler, Md.	George	Millikin
Byrd	Hoey	Mundt
Carlson	Holland	Schoeppel
Connally	Johnson, Colo.	Taft
Cordon	Johnston, S. C.	Thye
Dirksen	Kefauver	Welker
Dworshak	Martin	Young

NOT VOTING—30

Anderson	Hickenlooper	Robertson
Bricker	Jenner	Saltonstall
Butler, Nebr.	Knowland	Smith, N. J.
Cain	Lodge	Smith, N. C.
Chavez	Malone	Sparkman
Duff	McCarran	Tobey
Ferguson	McClellan	Watkins
Flanders	Monroney	Wherry
Fulbright	Neely	Wiley
Gillette	O'Connor	Williams

So Mr. BENTON's amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. DWORSHAK. Mr. President, I send to the desk an amendment and ask that it be read.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Idaho.

The CHIEF CLERK. On page 44, line 6, it is proposed to strike out "\$5,043,350,000" and insert "\$5,006,350,000."

Mr. DWORSHAK. Mr. President, during the dinner hour when many Senators were absent from the Chamber, I offered an amendment quite comparable to this one, involving \$37,500,000. That amendment was defeated on a voice vote. Since that time many Senators have mentioned the fact that they wanted an opportunity to vote on the proposal.

I desire to point out that the senior Senator from Illinois [Mr. DOUGLAS] offered an amendment on page 43, line 16, to add \$37,500,000 for economic and technical assistance in Africa and the Near East.

In connection with that amount there is authorization to make available \$10,000,000 for payment by the United States to the United Nations, under the provisions of the United Nations Palestine Aid Act of 1950, and another \$10,000,000 to assist in the relief of refugees coming into Israel. At the time the Senator offered the amendment to increase the amount by \$37,500,000, he assured those who would support his amendment that he planned subsequently to offer an amendment to deduct that amount from another section of the bill providing economic aid or military aid, so that the total amount of the bill would not be increased by \$37,500,000.

I am offering this amendment because I think many of the Senators who voted for the amendment of the Senator from Illinois were under the impression that in doing so they could approve the transfer without increasing the amount in the bill. My amendment provides for taking off \$37,000,000 instead of \$37,500,000, which would virtually offset the amount of the increase effected by the amendment of the Senator from Illinois.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. DWORSHAK. I yield.

Mr. DOUGLAS. The Senator has stated the facts correctly. I asked for an added appropriation of \$37,500,000, and made the promise that we would support an amendment diminishing the amount for Europe. While this promise was made prior to the time the money was deducted from the European figure, I feel bound to support the amendment of the Senator from Idaho, and if he had not been so quick on his feet it was my intention to offer the amendment myself.

Mr. TAFT. Mr. President, I supported the Douglas amendment with the understanding that it would not mean a net increase, that the same amount would be deducted from European aid and added to Near East aid. So, Mr. President, it seems to me that the amendment of the Senator from Idaho should be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment—

Mr. LONG. Mr. President—

The VICE PRESIDENT. The Senator cannot be recognized, under the rules. The Senator from Texas is recognized.

Mr. CONNALLY. Mr. President, I yield 3 minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, I am opposed to the amendment. I have voted for approximately a billion dollars of reductions in European aid on the theory that all the money was not necessary and that we could safely save some of it. I am opposed to the logic of this kind of an amendment. If Israel should have more American money, let us give Israel the money. But that is not a proper argument for reducing some other authorization that has nothing to do with Israel.

Therefore, Mr. President, being opposed to that principle, and feeling that if the money is justified for Israel she should have the money, and if the money is justified for Europe, Europe should have the money, I see no reason why we should cut Europe because we have voted for an increase for Israel.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Idaho. [Putting the question.] The "noes" seem to have it—

Mr. DWORSHAK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Iowa [Mr. GILLETTE], the Senator from West Virginia [Mr. NEELY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from Maryland [Mr. O'CONNOR] is absent because of a death in his family.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Nevada [Mr. McCARRAN] is paired on this vote with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Alabama would vote "nay."

The Senator from Arkansas [Mr. McCLELLAN] is paired on this vote with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from West Virginia would vote "nay."

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachu-

setts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Delaware [Mr. WILLIAMS] are detained on official business.

If present and voting, the Senator from Washington [Mr. CAIN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Michigan [Mr. FERGUSON], and the Senator from Nebraska [Mr. WHERRY] would each vote "yea."

On this vote the Senator from Indiana [Mr. JENNER] is paired with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from New Hampshire would vote "nay."

The result was announced—yeas 42, nays 25, as follows:

YEAS—42

Bennett	Ellender	McKellar
Brewster	Fear	Millikin
Bridges	George	Mundt
Butler, Md.	Hendrickson	Nixon
Byrd	Hoey	Pastore
Capehart	Holland	Russell
Carlson	Ives	Schoeppel
Case	Johnson, Colo.	Smathers
Cordon	Johnston, S. C.	Taft
Dirksen	Kefauver	Thye
Douglas	Kem	Underwood
Dworshak	Langer	Watkins
Eastland	Martin	Welker
Ecton	McCarthy	Young

NAYS—25

Aiken	Hunt	McMahon
Benton	Johnson, Tex.	Moody
Clements	Kerr	Morse
Connally	Kilgore	Murray
Green	Lehman	O'Mahoney
Hayden	Long	Smith, Maine
Hennings	Magnuson	Stennis
Hill	Maybank	
Humphrey	McFarland	

NOT VOTING—29

Anderson	Hickenlooper	Robertson
Bricker	Jenner	Saltonstall
Butler, Nebr.	Knowland	Smith, N. J.
Cain	Lodge	Smith, N. C.
Chavez	Malone	Sparkman
Duff	McCarran	Tobey
Ferguson	McClellan	Wherry
Flanders	Monroney	Wiley
Fulbright	Neely	Williams
Gillette	O'Connor	

So. Mr. DWORSHAK's amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. CAPEHART. Mr. President, I move that the Senate reconsider the vote by which the Benton amendment lettered "A," on page 43, line 3, and page 43, between lines 17 and 18, was agreed to.

Mr. TAFT. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. HUMPHREY. Is it possible for a Senator who has voted for an amendment to ask for reconsideration?

The VICE PRESIDENT. A Senator who voted in the majority is the only Senator who can move to reconsider the vote.

Mr. HUMPHREY. I ask the question: Did the Senator from Indiana [Mr. CAPEHART] vote for the amendment?

The VICE PRESIDENT. He did.

The clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Iowa [Mr. GILLETTE], the Senator from West Virginia [Mr. NEELY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Nevada [Mr. McCARRAN], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from Maryland [Mr. O'CONNOR] is absent because of a death in his family.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN], and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate. If present and voting the Senator from Washington [Mr. CAIN] would vote "yea."

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by

leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Delaware [Mr. WILLIAMS] are detained on official business.

On this vote the Senator from Indiana [Mr. JENNER] is paired with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from New Hampshire would vote "nay."

The result was announced—yeas 32, nays 35, as follows:

YEAS—32

Bennett	Eastland	McKellar
Brewster	Eaton	Millikin
Bridges	Ellender	Mundt
Butler, Md.	George	Robertson
Byrd	Hoey	Schoeppel
Capehart	Holland	Taft
Carlson	Johnson, Colo.	Thye
Connally	Johnston, S. C.	Watkins
Cordon	Kefauver	Welker
Dirksen	Martin	Young
Dworshak	McCarthy	

NAYS—35

Aiken	Ives	Moody
Benton	Johnson, Tex.	Morse
Case	Kem	Murray
Clements	Kerr	Nixon
Douglas	Kilgore	O'Mahoney
Green	Langer	Pastore
Hayden	Lehman	Russell
Hendrickson	Long	Smathers
Hennings	Magnuson	Smith, Maine
Hill	Maybank	Stennis
Humphrey	McFarland	Underwood
Hunt	McMahon	

NOT VOTING—29

Anderson	Gillette	O'Connor
Bricker	Hickenlooper	Saltonstall
Butler, Nebr.	Jenner	Smith, N. J.
Cain	Knowland	Smith, N. C.
Chavez	Lodge	Sparkman
Duff	Malone	Tobey
Ferguson	McCarran	Wherry
Flanders	McClellan	Wiley
Frear	Monroney	Williams
Fulbright	Neely	

So the motion to reconsider was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The amendment in the nature of a substitute, as amended, having been agreed to, the question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. CORDON. On this vote I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arkansas [Mr. McCLELLAN] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Iowa [Mr. GILLETTE], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from Maryland [Mr. O'CONNOR] is absent because of a death in his family.

The Senator from Alabama [Mr. SPARKMAN] and the Senator from Nevada [Mr. McCARRAN] are absent by leave of the Senate on official business, to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

I announce further that if present and voting the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Iowa [Mr. GILLETTE], the Senator from Nevada [Mr. McCARRAN] the Senator from West Virginia [Mr. NEELY], the Senator from Maryland [Mr. O'CONNOR], and the Senator from Alabama [Mr. SPARKMAN] would vote "yea."

Mr. HENDRICKSON. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. WHERRY], are necessarily absent. If present and voting the Senator from Nebraska [Mr. WHERRY] would vote "nay."

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business, and his pair with the Senator from Oregon [Mr. CORDON] has been announced previously.

The Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Delaware [Mr. WILLIAMS] are detained on official business.

If present and voting, the Senator from Washington [Mr. CAIN], the Senator from Pennsylvania [Mr. DUFF], the Senator from Michigan [Mr. FERGUSON], the Senator from Vermont [Mr. FLANDERS], the Senator from New Jersey [Mr. SMITH], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Wisconsin [Mr. WILEY], would each vote "yea."

On this vote the Senator from California [Mr. KNOWLAND] is paired with the Senator from Indiana [Mr. JENNER]. If present and voting the Senator from California would vote "yea" and the Senator from Indiana would vote "nay."

On this vote the Senator from Massachusetts [Mr. LODGE] is paired with the Senator from Ohio [Mr. BRICKER]. If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Nevada would vote "nay."

On this vote the Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from Ohio [Mr. BRICKER]. If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Ohio would vote "nay."

The result was announced—yeas 61, nays 5, as follows:

YEAS—61

Aiken	Hill	Millikin
Bennett	Hoey	Moody
Benton	Holland	Morse
Brewster	Humphrey	Mundt
Butler, Md.	Hunt	Murray
Byrd	Ives	Nixon
Carlson	Johnson, Colo.	O'Mahoney
Case	Johnson, Tex.	Pastore
Clements	Johnston, S. C.	Robertson
Connally	Kefauver	Russell
Dirksen	Kerr	Smathers
Douglas	Kilgore	Smith, Maine
Dworshak	Lehman	Stennis
Eastland	Long	Taft
Ellender	Magnuson	Thye
Frear	Martin	Underwood
George	Maybank	Watkins
Green	McCarthy	Welker
Hayden	McFarland	Young
Hendrickson	McKellar	
Hennings	McMahon	

NAYS—5

Capehart	Kem	Schoeppel
Eaton	Langer	

NOT VOTING—30

Anderson	Fulbright	Neely
Bricker	Gillette	O'Connor
Bridges	Hickenlooper	Saltonstall
Butler, Nebr.	Jenner	Smith, N. J.
Cain	Knowland	Smith, N. C.
Chavez	Lodge	Sparkman
Cordon	Malone	Tobey
Duff	McCarran	Wherry
Ferguson	McClellan	Wiley
Flanders	Monroney	Williams

So the bill (H. R. 5113) was passed.

Mr. CONNALLY. Mr. President, I move that the Senate insist on its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. CONNALLY, Mr. GREEN, Mr. McMAHON, Mr. RUSSELL, Mr. WILEY, Mr. SMITH of New Jersey, and Mr. SALTONSTALL conferees on the part of the Senate.

Mr. CONNALLY. Mr. President, I ask unanimous consent to have House bill 5113 printed showing the Senate amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. McFARLAND. Mr. President, I wish to announce that next Wednesday, in accordance with the unanimous-consent agreement previously entered into, the unfinished business will be the bill to authorize the transfer of certain naval vessels, House bill 3463. After disposing of that bill, we expect to take up House bill 4914, a bill providing for the construction of military and naval installations.

If the appropriation bill is not then ready for consideration it is our expectation that we shall be able to take up a bill to readjust the postal rates, Senate bill 1065, and possibly Senate bill 1335, a bill to readjust the size and weight limitations on fourth-class mail; and following that, if we have time, Senate bill 355, a bill to raise the salaries of postal employees.

Mr. MAGNUSON and Mr. MAYBANK addressed the Chair.

The VICE PRESIDENT. Does the Senator from Arizona yield, and if so, to whom?

Mr. McFARLAND. I yield first to the Senator from Washington.

Mr. MAGNUSON. I should like to ask the distinguished majority leader a question. Tomorrow I am leaving the city for the Pacific Northwest.

When I get there I will be asked a question not only by the press but by many people. I can phrase the question by asking, What about statehood for Alaska?

Mr. McFARLAND. The statehood bills are on the agenda. Of course, we are trying to meet a goal of adjournment by October 1. If we adjourn on that day, we shall not be able to dispose of the two statehood bills by that day. So they will still be on the agenda, and it is our expectation that they will be taken up shortly after we reconvene, whether it be in the fall or in January.

Mr. MAGNUSON. In other words, after we get through during this session with the so-called must bills, it is the intention of the majority leader, whether we meet before January 3 or after January 3, that we consider the Alaska and Hawaii statehood bills.

Mr. McFARLAND. The majority policy committee placed those bills on the agenda, to be considered. Several other bills are on the agenda. A great many of them will be disposed of before we adjourn. I regret that I am not able to tell my good friend from Washington whether the Alaska bill will be disposed of before we adjourn.

Mr. MAGNUSON. If not, in all probability consideration of the Alaska and Hawaii statehood bills would be passed

over until we meet again, whether it be before January 3 or after January 3.

Mr. McFARLAND. Yes.

Mr. MAYBANK. I should like to inquire of the distinguished majority leader when he expects to have a call of the calendar.

Mr. McFARLAND. The calendar was called on Monday.

Mr. MAYBANK. I understand.

Mr. McFARLAND. I do not know when there will be another call.

Mr. MAYBANK. My reason for asking the question is that there is on the calendar a very important bill dealing with the Export-Import Bank. I do not believe there will be any opposition to it. I hope that after we conclude consideration of the two or three bills which the majority leader has mentioned, particularly the postal bill, we will take up the Export-Import Bank bill if the calendar is not called in the meantime.

Mr. McFARLAND. Yes.

TRANSFER OF CERTAIN NAVAL VESSELS

The VICE PRESIDENT. The Chair would state that when the Senate began the consideration of the mutual security bill, which has just been passed, the Senate temporarily laid aside the bill (H. R. 3463) to authorize the transfer of certain naval vessels, and it automatically comes before the Senate.

Mr. McFARLAND. I announced that fact.

ROLL-CALL VOTES ON WEDNESDAY

Mrs. SMITH of Maine. Mr. President, will the majority leader inform the Senate whether or not there have been any informal agreements concerning dispensing with roll-call votes on Wednesday.

Mr. McFARLAND. Not on Wednesday, but on Tuesday. We will not dispense with any roll-call votes on Wednesday. There may be some roll-call votes on Wednesday.

Mrs. SMITH of Maine. The junior Senator from Maine understands that there have been no informal agreements concerning dispensing with roll-call votes on Wednesday.

Mr. McFARLAND. The Senator from Maine is correct.

AMENDMENT OF DEFENSE PRODUCTION ACT OF 1951

Mr. CAPEHART. Mr. President, on August 27 I addressed a letter to the President of the United States with respect to the Defense Production Act. I ask unanimous consent to have the letter printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 27, 1951.

The Honorable HARRY S. TRUMAN,
President of the United States,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: Fourteen months ago, Mr. President, you sent American troops into a war in Korea, knowing full well that it was a full-scale war.

You knew at that time, Mr. President, that your act would create a complete change in the economic condition of this country and the world.

Yet, 2 months after you sent American boys to fight and die in Korea, you sent to the Congress of the United States a request for legislation, and that request was wholly inadequate to meet the situation you had created.

It did not call for any form of control over the cost of living the American people would have to meet in the face of your war in Korea.

It did not call for the control of prices or wages.

In fact, Mr. President, a few short weeks after you sent that request for legislation to the Congress you sent a letter to the Senate Banking and Currency Committee boldly contending that you did not see any reason for the authority to control prices or the cost of living.

The Congress recognized, Mr. President, that you had created a state of war and it did authorize you to control prices and the cost of living on a wartime basis.

You signed that bill into law on September 8, 1950, but you did not utilize the authorization to control the rising prices and cost of living despite the fact an inflationary spiral had already reached alarming proportions.

On December 19, 1950, Mr. President, you notified the American people that price controls would be enforced in 30 days.

In that 30 days when the American public was aware of impending controls the Consumer Price Index rose 3 points to make the total increase over the Korean War declaration 6.6 percent.

Thirty-six days after that announcement, Mr. President, you ordered a freeze on ceiling prices.

You decided to utilize powers which you said only 5 months before would not be necessary—in fact, your words in that letter were that price controls were not necessary in the "foreseeable future."

Just last Thursday, Mr. President, you admitted in your message to Congress that the act you signed on September 8, 1950, was "sufficient" to meet the situation, although it was not what you had asked for.

Now we find, Mr. President, that you contend the amendments to that act will create higher prices and a higher cost of living to the American people.

You could, you know, be just as wrong this time as you were a year ago when you said price controls were not necessary in the "foreseeable future."

In view of your obvious shortsightedness, Mr. President, or your willingness to use the Congress as a scapegoat for poor judgment, it behooves me to ask you this question:

"If Congress should follow your recommendations for changes in the Defense Production Act, as outlined in your message of last Thursday, are you in a position, Mr. President, to guarantee the American people that lower prices and a lower cost of living will result?"

I believe, Mr. President, that since you control the administration of any laws the Congress enacts, it is your responsibility to assure the people the results of such administration, particularly since you have so willingly and certainly assured the people that Congress is wrong.

Your answer to the above question will greatly assist the Congress in determining how sincere you were when you criticized the action of Congress in your message last Thursday.

Respectfully submitted.

HOMER E. CAPEHART.

Mr. CAPEHART. Mr. President, I received a reply from the President of the United States under date of August 31, 1951. I shall read the letter to the Senate, because I have now joined the great immortals in that I have received a let-

ditional \$10,000 will be needed between now and next January to carry on the work.

Mr. SALTONSTALL. Is that the subcommittee which investigated the Maryland-election situation?

Mr. HAYDEN. Yes.

Mr. SALTONSTALL. And is now investigating other election situations?

Mr. HAYDEN. Yes. This sum of money is recommended unanimously by the members of the subcommittee.

Mr. SALTONSTALL. Will this probably be the final amount asked for that purpose?

Mr. HAYDEN. I hope so.

Mr. SALTONSTALL. Mr. President, I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 209) was considered and agreed to.

INVESTIGATION OF CRIME AND RELATED PROBLEMS IN THE DISTRICT OF COLUMBIA

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably with amendments Senate Resolution 136, authorizing an investigation of crime and related problems in the District of Columbia, submitted by the Senator from West Virginia [Mr. NEELY] on May 1, 1951, and referred to the Committee on the District of Columbia. I submit a report (No. 739) thereon. The resolution now comes from the Committee on Rules and Administration with amendments.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. SALTONSTALL. Mr. President, reserving the right to object, may we have an explanation of the resolution?

Mr. HAYDEN. The resolution was submitted by the Senator from West Virginia [Mr. NEELY], for himself and the Senator from South Dakota [Mr. CASE], and referred to the Committee on the District of Columbia. That committee reported the resolution favorably, and it was referred to the Committee on Rules and Administration. Request was made for \$50,000 to undertake an investigation into crime in the District of Columbia. The Committee on Rules and Administration has reduced the amount to \$25,000. The occasion for the resolution in this statement contained in the report of the Committee on Organized Crime in Interstate Commerce, which recommends in part as follows:

With regard to the District of Columbia, this committee has, on several occasions, received evidence that the city of Washington may be a pivotal point for gambling operations of considerable size. There is also evidence before this committee of widespread traffic in narcotic drugs within the District. The committee therefore strongly recommends that an appropriate committee of the Senate undertake a thorough investigation of crime conditions in the District of Columbia, including the relationship of such conditions to crime in adjoining areas.

The Committee on Rules and Administration has decided that the Senate Committee on the District of Columbia is best qualified and has complete authority

under section 134 (a) of the Legislative Reorganization Act of 1946 to carry out the foregoing recommendation in the District of Columbia and elsewhere.

I might add further that there is also pending before the Committee on the District of Columbia the Davis bill, House bill 4141, to provide for the more effective prevention, detection, and punishment of crime in the District of Columbia. It was represented to our committee that the investigation would aid the Committee on the District of Columbia in properly presenting that bill at the beginning of the next session of Congress, which is much needed legislation.

Mr. SALTONSTALL. As I understand, the resolution was unanimously recommended by the Committee on the District of Columbia, and it was unanimously recommended that the amount be reduced to \$25,000?

Mr. HAYDEN. The resolution was unanimously recommended by the Committee on the District of Columbia. In the Committee on Rules and Administration there was some disagreement as to whether the Committee on the District of Columbia should conduct the investigation, or whether the Interstate and Foreign Commerce Committee should conduct it. The committee decided that it was best to undertake the investigation in the manner provided in the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The amendments of the Committee on Rules and Administration will be stated.

The first amendment was, on page 1, line 7, after the word "date", to insert "but not later than January 31, 1952."

The amendment was agreed to.

The next amendment was, on page 2, line 6, after the word "exceed", to strike out "\$50,000" and insert "\$25,000."

The amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to, as follows:

Resolved, That the Senate Committee on the District of Columbia, or any duly authorized subcommittee thereof, is hereby authorized and directed (1) to conduct a full and complete study and investigation with respect to crime and related problems, including law enforcement, in the District of Columbia; and (2) to report to the Senate at the earliest practicable date, but not later than January 31, 1952, the results of such study and investigation, together with such recommendations as to necessary legislation it may deem desirable.

SEC. 2. For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable, and is authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of any of the departments or agencies of the Government of the United States. The expenses of the committee under this resolution, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPEHART:

S. 2119. A bill for the relief of Claudia Tanaka; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 2120. A bill to establish a farm commodity revolving loan fund to restore and to develop world trade in agricultural export commodities; to the Committee on Agriculture and Forestry.

By Mr. BUTLER of Nebraska:

S. 2121. A bill to provide for the relief of certain Reserve officers, formerly in the Regular Army and Navy and who were appointed prior to August 24, 1912, and March 4, 1913, respectively; to the Committee on Armed Services.

INCREASED COMPENSATION OF CERTAIN FEDERAL EMPLOYEES—AMENDMENT

Mr. NEELY submitted an amendment intended to be proposed by him to the bill (S. 622) to increase the basic rates of compensation of certain officers and employees of the Federal Government, and for other purposes, which was ordered to lie on the table and to be printed.

SEPARATION OF SUBSIDY FROM AIR-MAIL PAY—AMENDMENTS

Mr. McCARRAN submitted amendments intended to be proposed by him to the bill (S. 436) to provide for the separation of subsidy from air-mail pay, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. JOHNSON of Colorado submitted amendments intended to be proposed by him to Senate bill 436, supra, which were ordered to lie on the table and to be printed.

MUTUAL ASSISTANCE ACT OF 1951—ADDITIONAL CONFEREES

Mr. CONNALLY. Mr. President, I ask unanimous consent that the names of the Senator from Virginia [Mr. BYRD], and the Senator from New Hampshire [Mr. ELDGES] be added as additional conferees on the part of the Senate on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

The VICE PRESIDENT. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

NOTICE OF HEARING ON NOMINATION OF WILLIAM BURBRIDGE BROWN TO BE CIRCUIT JUDGE OF THE SECOND CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, September 21, 1951, at 9:30 a. m., in room 424, Senate Office Building, upon the nomination of William Burbridge Brown, of Hawaii, to be circuit judge of the Second Circuit, Circuit Courts, Territory of Hawaii, vice Cable

A. Wirtz, resigned. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman; the Senator from Washington [Mr. MAGNUSON]; and the Senator from Utah [Mr. WATKINS.]

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. GREEN:

An address on the subject Foreign Relations and the American Press, delivered by him at the convention of the New England Associated Press News Executives' Association and the New England Association of Circulation Managers, at Rangeley, Maine, on September 6, 1951.

By Mr. JOHNSTON of South Carolina: Editorial entitled "If Size of Conflict Is To Dictate Use of Weapons, the United States Invites Defeat," published in the September 11, 1951, issue of the Independent of Anderson, S. C.

By Mr. KEM:

Article entitled "Trade Dilemma," written by Ludwell Denny, and published in the Washington Daily News of August 30, 1951, discussing the problem of allied-iron curtain trade.

By Mr. MOODY:

Editorial from the Washington Star of September 13, 1951, discussing the retirement of Gen. George C. Marshall as Secretary of Defense and the appointment of Robert A. Lovett.

By Mr. MAYBANK:

Article entitled "Summerall Took Over as Head of The Citadel 20 Years Ago," published in the Charleston News and Courier.

By Mr. MUNDT:

Address entitled "The Murder of a Candidate," delivered by Donald R. Richberg at annual meeting of the Manufacturers Association of Connecticut, at New Haven, Conn., on September 11, 1951, which will appear hereafter in the Appendix.

TUTTLE CREEK DAM, KANS.

Mr. MURRAY. Mr. President, I have had a great many letters from the citizens of Kansas opposing the proposed Tuttle Creek Dam in that State. Many of these people would be flooded out of their holdings by the dam. There is always opposition to a reservoir from people who will be directly affected. In every instance I have great sympathy for them. In some instances, however, the greater good to be accomplished requires that the project be approved and that work proceed. I have been convinced, however, in the case of the proposed Tuttle Creek Dam, that a better solution can be accomplished than the one offered by the construction of this project. A professor of hydraulics at Kansas State College, who is a member of the Governor's Water Advisory Committee, has publicly stated that headwater structures would better meet the needs of the situation, and would, at the same time, protect the entire valley without flooding thousands of acres of fertile land within the valley in order to protect a fraction of it.

I am equally convinced that the Congress as a whole has insufficient information upon which to pronounce a death

sentence for the farmers in the Tuttle Creek Reservoir area. Although we have been advised by two outstanding national commissions that Missouri Basin planning is deplorable, and by dozens of independent studies of the basin, Congress has not, through any of its committees, given the people of the basin and experts in the basin an opportunity to be heard on the Pick and Sloan plans.

Some time ago I inserted in the CONGRESSIONAL RECORD an editorial from the Overbrook (Kans.) Citizen exposing the nature of the Big Sham Show in Kansas City staged by the Army engineers and their friends. I now ask consent to have printed as a part of my remarks at this point another editorial from the same newspaper which describes the visit of a group of the 20 members of the House Public Works Committee to the Kansas area as a Henry Wallace tour for visiting Congressmen. The editor was referring, of course, to the Russian style of personally conducted tours, carefully avoiding any contact with the people.

I want to announce right now that I shall oppose appropriations for any new starts by the Army engineers in the Missouri River Basin, and particularly any request to start Tuttle Creek Dam, until this Congress discharges its responsibility to fully investigate the soundness of all these proposals before such appropriations are made.

I recently received an article from Prof. Henry C. Hart, of the University of Wisconsin, entitled "Legislative Abdication in Regional Development." This seemed to me an excellent caption. Citizens and newspapers throughout the length and breadth of this land, as well as official commissions and agencies, are aroused over the wastes and the inadequacies of our river-basin works, but up to date Congress has done nothing to implement either the Hoover Commission report or the National Water Policy Commission report, or to take cognizance of the protests of affected citizens in the Missouri Basin.

I wish to quote from just one of scores of letters I have received from Kansas. This is from Mr. Paul L. Jameson, of Garrison, Kans. He writes me:

I can assure you that since the flood that there has not been a single hearing held before investigating Congressmen in Kansas in which the opponents of Pick-Sloan had a fair chance to express themselves.

Mr. Jameson endorsed the editorial from the Overbrook Citizen, which I have just included in the RECORD, and urged that I also read an editorial entitled "Ulterior Motives" in the August issue of the Kansas Farm Bureau News. A great many of the persons writing me—I should say at least half of them—have protested against the adroitly managed meetings and the carefully conducted tours which have passed by the rank and file of citizens whose farms are destroyed and homes are flooded out when catastrophe strikes.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A HENRY WALLACE TOUR FOR VISITING CONGRESSMEN

It isn't necessary to look as far as Washington to see evidence of unmoral practices

in government. There are plenty of symptoms right here in Kansas. This week 20 members of the House Public Works Committee were given a look and a listen about the great flood in something the same way that Henry Wallace was given his notorious tour through Russia.

Henry saw a staged panorama of prosperity and contentment where poverty and bestial cruelty existed. The House committee, taken in tow by Gov. Ed Arn and company, met and heard testimony from the leading advocates of Pick dams in a State that is beginning to seethe with outrage over the strong-arm tactics being used to squelch the considerable opposition to an unqualified Pick plan.

The big sham-show in Kansas City didn't surprise anyone especially. But for Kansas people to be treated so undemocratically by their own public servants in their own State capital building—that is alarming, indeed.

The rawness of the proceedings was plain for all to see, with the possible exception of the visiting dignitaries. Congressman MYRON GEORGE, of the Third Congressional District, presided at the hearing and from some source he had been supplied a list of names to call on for testimony. In his opening talk GEORGE stated there was to be no consideration of methods of flood control, and if he believed that then he was victimized along with a lot of other Kansans. The parade of picked speakers was marvelous to behold, veteran Pick-Sloan champions, political dependables, lawyers, among which group were several would-be orators—all plugged in heavily for the Pick plan. One young hopeful even went so far as to tail off his flight of oratory with a bit of poetry.

Political power and arrogance brazened out the show and democracy in Kansas was trampled into the debris and mud left in the wake of the great flood. As one Jayhawk citizen, this writer apologizes to the distinguished visitors of the House committee and offers affirmation that the majority of Kansas people are fair-minded, patriotic citizens, who would neither stoop to such tactics, nor condone them if they knew of the happening.

In the meantime the powers that be, through control of politics and daily press, are managing to put across their rape of the rural areas of the State. Monopoly control of expressed opinion is nearly air tight and Congress in Washington cannot be blamed if it falsely concludes that the whole of Missouri and Kansas demand the Pick plan.

Representative CLIFFORD DAVIS asked those who weren't heard to file their statements with the committee and affiant, who was to speak for Osage County in the Marais des Cygnes Valley, intends to put this account on the records.

Our doubts of the wisdom of the Pick plan are several and as yet unanswered, and doubt is further increased by the unethical and undemocratic methods being used to promote the plan in this area. Common sense and logic are able to stand challenge and good engineering should be able to do the same. The fact that such great efforts have been made to suppress all challenge, of itself, gives the Pick program a fishy smell.

To the honorable CLIFFORD DAVIS we submit the fact that engineering departments of Kansas University and Kansas State College and the head of the geological department of Missouri University have all branded the Pick plan as unsound. The Kansas Farm Bureau, in a release dated August 4, speaks of "an almost hysterical attempt by several metropolitan papers and a few smaller papers to railroad passage of the Pick-Sloan plan". The organization says that "before any more large dams and reservoirs are constructed in Kansas, we ask for a complete soil conservation program, including detention dams, on one watershed in Kansas."

ment from giving out such information as the committee may want?

Mr. RADWAN. I not only have that hope, but I think it is the duty of the Congress to see that such action will not take place.

I support the resolution sponsored by the gentleman from Indiana and I do so for reasons which have been amply and fully stated already. Of course, this has been a crime against humanity, not only against the Polish people. If that is true, it logically follows that a full investigation, and the wording of the resolution is to this effect, which will include an inquiry into the State Department's conduct in suppressing and refusing to reveal information which it had about this Katyn massacre.

Mr. MACHROWICZ. Mr. Speaker, will the gentleman yield?

Mr. RADWAN. I yield to the gentleman from Michigan.

Mr. MACHROWICZ. I would like to inform the gentleman on that very point that on April 25 of this year the Secretary of State through the Program Services Section released a complete report on the matter, giving information that was very valuable to the author of this resolution and to myself, which information was put on the Voice of America programs. Also the Department of Defense on September 18, 1950, declassified the entire file of information regarding this report. So it is expected on the basis of information we now have that both the Department of State and Department of Defense will cooperate with the committee.

Mr. RADWAN. I thank the gentleman for his observation. In conclusion may I say that the language in this resolution speaks for itself and we hope that it will be full, complete and thorough. Let the chips fall where they may.

The SPEAKER. The time of the gentleman from New York has expired.

(Mr. RADWAN asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROMOTING THE FOREIGN POLICY AND PROVIDING FOR THE GENERAL WELFARE OF THE UNITED STATES

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. RICHARDS, MANSFIELD, MORGAN, VORYS, and Mrs. BOLTON.

READJUSTMENT OF POSTAL RATES

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 355 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2982) to readjust postal rates, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself such time as I may desire.

Mr. Speaker, this resolution makes in order the bill (H. R. 2982), dealing with postal rates. As far as I know, there is no opposition to the consideration of the resolution.

Mr. ALLEN of Illinois. Mr. Speaker, I have no requests for time. There is no objection to the rule.

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. LYLE. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks at this point in the RECORD on the resolution just adopted.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AIR-MAIL RATES SHOULD NOT BE INCREASED

Mr. YORTY. Mr. Speaker, the proposed increase in the air mail postage rate to 8 cents is unwarranted and contrary to the public interest. Probably the people living in the West would be the most adversely affected by the proposed increase, which would amount to 60 percent based upon the rate in effect previous to January 1, 1949. I believe I am correct in stating that neither the President, the Post Office Department, nor our own committee recommended the increase in air-mail rates now provided for in S. 1046.

Air mail now provides the only rapid mail service between west coast points and the densely populated areas of the East and Midwest. The proposed increase would deprive many persons of this efficient means of communication, and would probably result in a decrease in the total revenue from air mail rather than an increase. Air mail is no longer a luxury; it is a necessity.

The tempo of modern business is to a large extent dependent upon efficient, rapid communication at reasonable rates. Those who believe air-mail revenues should be increased had better look to expansion of the use of air mail for increased revenues rather than to a smaller volume at a higher cost. Greater use at lesser cost is the most effective method for improving living standards. Communication plays a vital part in our lives. It is one of the important elements which, in the aggregate, determines our standard of living.

A prohibitive increase in the cost of this service, and 8 cents would be prohibitive to many, would be a step backward, and should not be authorized in the absence of impelling necessity. No such necessity has been shown to exist.

Mr. MURRAY of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2982) to readjust postal rates.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2982, with Mr. KILDAY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

(Mr. MURRAY of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Tennessee. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, H. R. 2982 is a bill to readjust certain postal rates. Before recommending this bill favorably, the House Post Office and Civil Service Committee spent 19 days in hearings and 10 days in executive sessions. This bill represents what, in my judgment, is a balanced and fair recommendation for a general readjustment in postal rates.

The last major adjustment in postal rates was effective January 1, 1949. The changes in the rates at that time were primarily increases in fourth-class mail, including parcel post, books and catalogs; air mail; individual pieces of third-class mail, and the pound rate for bulk mailings of third-class mail; and the controlled circulation publications.

This legislation is, in a sense, complementary to that rate increase bill. I say this because the major increases in this bill are on rates that were not included in the adjustment of rates which were effective January 1, 1949. The increases in this bill are, primarily, on second-class mail, which rate is approximately the same as it was as far back as 1879, and actually less today than 1933; the minimum rate on bulk mailings of third-class mail, which rate is the same as it was when this class of mail was established in 1928, when first-class mail, as you will recall, was 2 cents; and postal cards, which are presently being carried at the same rate as established for them in 1873.

The committee was very careful in its consideration of the bill to be sure that none of the rates proposed would be so high as to affect adversely businesses re-

lying on the mail for their distribution. We were, of course, faced with a postal deficit of well over \$500,000,000 a year. We are also, as you know, under tremendous pressure to increase the salaries of postal employees and, incidentally, for every \$100 a year increase in the salaries of postal employees, the deficit in the Department is increased by approximately \$50,000,000 a year.

Since approving H. R. 2982, the House Post Office and Civil Service Committee has approved legislation for postal employees' salary increases which will increase the Post Office Department expenditures by \$252,660,000 annually. Many Members of the House are clamoring for an opportunity to support these salary increases. These increases will cost over a hundred million dollars more than will be raised by this rate bill when all of the increases have been placed into effect. The apportioned amount of these increases to the costs to the Post Office Department to handle newspapers and magazines or circular advertising will be approximately the amount that we propose to increase these items in the bill. For example, newspapers and magazines contribute over 10 percent of the cost of the postal service. The share which would normally be attributed to second-class mail of the \$252,660,000 salary increases is over \$25,000,000 annually. When all increases under this bill are placed into effect over a 3-year period, the annual increase in second-class mail will be less than this amount.

The committee concurred in the views of the Postmaster General in that the rate increases should be placed on those particular classes of mail which have, during the rise in costs, had a free ride, although the committee did trim substantially the amounts of these increases. For example, in second-class mail, instead of a 100-percent increase, the committee recommends a 60-percent increase, and the minimum rate per piece of bulk mailings of third-class mail, instead of a 100-percent increase, the committee recommends a 50-percent increase.

This bill will raise revenues in the amount of \$138,400,600 annually when all of the increases provided have been placed in effect. In the case of second-class mail, this will take over 2 years. A summary of the major increases and the amounts they will produce are as follows:

Post and postal cards, increased from 1 cent to 2 cents-----	\$50,436,000
Drop letters from 1 cent to 2 cents-----	1,375,000
Second-class mail: Increased 60 percent applied in three steps of 20 percent each-----	23,153,600
Third-class mail: Minimum per piece rate on pieces mailed in bulk from 1 cent to 1½ cents-----	34,763,000
Special services (registered mail, insured mail, c. o. d. mail, special delivery)-----	28,973,000
Total-----	138,400,600

If I may, I will present a little more detailed summary of the rate changes.

In first-class mail, Government postal cards, private mailing cards, and drop letters are increased from the present

rate of 1 cent to 2 cents. There is an additional charge of 10 percent on Government postal cards sold in quantities of 100 or more. There is no increase in first-class letter mail—except drop letters—nor on air mail.

In second-class mail, there is no change in the free-in-county privilege presently enjoyed by second-class users. The bill provides the rates will remain the same on the mailings of publications sent within the county of publication, except for a one-eighth-cent-per-piece minimum charge in post offices having city letter carrier service. A committee amendment provides that the rates remain the same both within and outside the county of publication on publications maintained by and in the interest of non-profit religious, educational, scientific, philanthropic, agricultural, labor, veteran, or fraternal organizations. There is, however, a minimum charge of one-eighth cent per piece. This minimum charge does not apply where the publication is sent free in county.

On that portion of the publications sent outside the county of publication, a 60-percent increase was approved to be extended in three steps of 20 percent each. The second and third increases of 20 percent will apply 1 and 2 years, respectively, after the application of the first 20-percent increase.

In third-class mail, the major change is on the minimum rate per piece on bulk mailings which is increased from 1 cent per piece to 1½ cents per piece. There is a one-half cent per piece increase on individual pieces of books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants not mailed under the bulk-mailing provision. The present \$10 annual fee for the privilege of using bulk-mailing rates has been retained. The minimum charge for pieces of odd size or form is increased from the present rate of 3 cents to 5 cents.

There is no change proposed in the regular per piece rate for third-class mail not mailed in bulk, nor is there any change in the pound rates for bulk mailings of circulars and merchandise or books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants.

On books, the bill provides that they will remain at their present rates, and that there will be no change in the size and weight of parcels of books.

On special services, the committee approved the Postmaster General's recommendations for increases in special-delivery mail, registered mail, insured mail, and collect-on-delivery mail. The Postmaster General is given authority in the bill to establish henceforth the rates on all special services.

I have gone somewhat into detail on the rate changes proposed by this bill, because I believe the House would want to know the extent of the changes. During the hearings 38 amendments were proposed. All of them, of course, were intended to exempt a special class from postal-rate increases or to cut the increases to such an extent that they would not be effective.

There has been a great deal of propaganda and misinformation spread about the effect of the postal-rate increases

contained in this bill. This propaganda has been merely intended to confuse and is spread by interests who are unwilling to pay their fair share of the increased costs with which the postal service has been faced since 1945.

There has been a \$1,116,000,000 annually in increased costs to the postal service since 1945. Of this amount, nearly \$800,000,000 is for increased salaries and \$175,000,000 for increased transportation costs. The remainder is for rentals, equipment, and so forth, for post offices. There has been only the one rate increase amounting to less than \$150,000,000 to offset this tremendous increase in costs.

In an attempt to confuse, those who oppose postal rate increases say this tremendous increase in costs should be absorbed by more efficient operation. The Postmaster General has testified and, in my judgment, has well substantiated the fact that the Department, through economies and increased efficiency has absorbed more than \$200,000,000 in increased costs since 1945. As a matter of fact, it can be amply demonstrated that the postal service which, in my opinion, is the most efficient Department of Government, is more efficient today than it was in fiscal year 1945 when it had a surplus of \$165,000,000. In 1945 we heard no talk of increased efficiency in the postal service.

There has been a tremendous expansion in the volume of mail since 1945 as advertisers and shippers became more and more aware of the bargain values in advertising and transportation of merchandise to be had in the postal service. This was due to the fact that all other media were forced to increase their charges or go bankrupt. The costs of the postal service have increased in exactly the same manner and for exactly the same reasons as privately-owned services but we have permitted the burden of increased costs to be shifted to the taxpayers rather than where it rightfully belongs, to those who use the postal service for profit.

POST AND POSTAL CARDS

The present rate of 1 cent for the Government postal card and private mailing post card has remained the same since 1873. Last year more than 4 billions of these cards were transported through the mail at a loss to the Post Office Department of more than \$70,000,000.

The increase proposed in this bill is 2 cents, with an additional 10 percent charge on the Government postal cards when issued in quantities of 100 or more, will recover approximately \$50,000,000 of this loss. It costs 2.64 cents to handle a postal card in the mail. It also costs the Government approximately 67 cents a thousand for the paper on which the Government postal cards are printed. The 10 percent additional charge is to recover to the Government the cost of furnishing the card to the private user.

The Postmaster General estimates that more than 90 percent of this tremendous volume of postal cards are used for commercial purposes by utilities to bill patrons for services, by direct mail advertisers, and by lodges and organizations notifying members of meet-

MUTUAL SECURITY ACT OF 1951

Mr. CONNALLY, from the committee of conference, submitted the following

CONFERENCE REPORT ON THE BILL (H. R. 5113) TO MAINTAIN THE SECURITY AND PROMOTE THE FOREIGN POLICY AND PROVIDE FOR THE GENERAL WELFARE OF THE UNITED STATES BY FURNISHING ASSISTANCE TO FRIENDLY NATIONS IN THE INTEREST OF INTERNATIONAL PEACE AND SECURITY

SEPTEMBER 27 (legislative day, SEPTEMBER 19), 1951.—Ordered to be printed

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That this Act may be cited as the "Mutual Security Act of 1951".*

SEC. 2. The Congress declares it to be the purpose of this Act to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and the Act for International Development (22 U. S. C. 1557) shall hereafter be deemed to include this purpose.

TITLE I—EUROPE

SEC. 101. (a) In order to support the freedom of Europe through assistance which will further the carrying out of the plans for defense of

the North Atlantic area, while at the same time maintaining the economic stability of the countries of the area so that they may meet their responsibilities for defense, and to further encourage the economic unification and the political federation of Europe, there are hereby authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and accomplishing the policies and purpose of this Act—

(1) not to exceed \$5,028,000,000 for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this Act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States (any such determination to be reported forthwith to the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives), and not to exceed \$100,000,000 of such appropriation for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist dominated or Communist occupied areas of Germany and Austria, and any other countries absorbed by the Soviet Union either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance will contribute to the defense of the North Atlantic area and to the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph. Section 408 (c) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1579), is hereby repealed.

(2) not to exceed \$1,022,000,000 for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522) (including assistance to further European military production), for any country of Europe covered by paragraph (1) of this subsection and for any other country covered by section 103 (a) of the said Economic Cooperation Act of 1948, as amended. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph: Provided, That not to exceed \$10,000,000 of the funds made available pursuant to this paragraph may be utilized to effectuate the principles set forth in section 115 (e) of the Economic Cooperation Act of 1948, as amended.

(b) Not to exceed 10 per centum of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purpose of this Act, between

appropriations granted pursuant to either paragraph of subsection (a): *Provided, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: Provided further, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.*

TITLE II—NEAR EAST AND AFRICA

SEC. 201. In order to further the purpose of this Act by continuing to provide military assistance to Greece, Turkey, and Iran, there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$396,250,000 for furnishing assistance to Greece and Turkey pursuant to the provisions of the Act of May 22, 1947, as amended (22 U. S. C. 1401-1410), and for furnishing assistance to Iran pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604). In addition, unexpended balances of appropriations heretofore made for assistance to Greece and Turkey, available for the fiscal year 1951, pursuant to the Act of May 22, 1947, as amended, and for assistance to Iran pursuant to the Mutual Defense Assistance Act of 1949, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

*SEC. 202. Whenever the President determines that such action is essential for the purpose of this Act, he may provide assistance, pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended, to any country of the Near East area (other than those covered by section 201) and may utilize not to exceed 10 per centum of the amount made available (excluding balances of prior appropriations continued available) pursuant to section 201 of this Act: *Provided, That any such assistance may be furnished only upon determination by the President that (1) the strategic location of the recipient country makes it of direct importance to the defense of the Near East area, (2) such assistance is of critical importance to the defense of the free nations, and (3) the immediately increased ability of the recipient country to defend itself is important to the preservation of the peace and security of the area and to the security of the United States.**

SEC. 203. In order to further the purpose of this Act in Africa and the Near East, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$160,000,000 for economic and technical assistance in Africa and the Near East in areas other than those covered by section 103 (a) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1502). Funds appropriated pursuant to this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557).

*SEC. 204. Not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be contributed to the United Nations during the fiscal year 1952, for the purposes, and under the provisions, of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556): *Provided, That, whenever the President shall determine that it would more effectively**

contribute to the purposes of the said United Nations Palestine Refugee Aid Act of 1950, he may allocate any part of such funds to any agency of the United States Government to be utilized in furtherance of the purposes of said Act and any amount so allocated shall be a part of the United States contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East and shall be so credited by said Agency.

SEC. 205. In order to assist in the relief of refugees coming into Israel, not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be utilized during the fiscal year 1952, under such terms and conditions as the President may prescribe, for specific refugee relief and resettlement projects in Israel.

TITLE III—ASIA AND PACIFIC

SEC. 301. In order to carry out in the general area of China (including the Republic of the Philippines and the Republic of Korea) the provisions of subsection (a) of section 303 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1604 (a)), there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$535,250,000. In addition, unexpended balances of appropriations heretofore made for carrying out the provisions of title III of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1602-1604), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed \$50,000,000 of funds appropriated pursuant to this section (excluding balances of appropriations continued available) may be accounted for as provided in subsection (a) of said section 303.

SEC. 302 (a) In order to further the purpose of this Act through the strengthening of the area covered in section 301 of this Act (but not including the Republic of Korea), there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$237,500,000 for economic and technical assistance in those portions of such area which the President deems to be not under Communist control. Funds appropriated pursuant to authority of this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557). In addition, unexpended balances of funds heretofore made available for carrying out the purposes of the China Area Aid Act of 1950 (22 U. S. C. 1547), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

(b) The third proviso of section 202 of the China Area Aid Act of 1950 is amended by inserting "and of Korea" after "selected citizens of China" the first time it appears therein.

SEC. 303. (a) In order to provide for a United States contribution to the United Nations Korean Reconstruction Agency, established by the resolution of the General Assembly of the United Nations of December 1, 1950, there are hereby authorized to be appropriated to the President not to exceed \$45,000,000. In addition, unobligated balances of the appropriations heretofore made, and available during the fiscal year 1951, for assistance to Korea under authority of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1543, 1551, 1552); are

hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed 50 per centum of the total of the appropriations authorized by this section may, when determined by the President to be necessary for the purpose of this Act, be transferred to and consolidated with the appropriation authorized by paragraph 302 (a).

(b) The sums made available pursuant to subsection (a) may be contributed from time to time on behalf of the United States in such amounts as the President determines to be appropriate to support those functions of the United Nations Korean Reconstruction Agency which the military situation in Korea permits the Agency to undertake pursuant to arrangements between the Agency and the United Nations Unified Command. The aggregate amount which may be contributed on behalf of the United States pursuant to the preceding sentence shall be reduced by the value of goods and services made available to Korea by any department or agency of the United States for relief and economic assistance after the assumption of responsibility for relief and rehabilitation operations in Korea by the United Nations Korean Reconstruction Agency.

(c) The provisions of subsections 304 (a) and (b) of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556 (b)) are hereby made applicable with respect to Korean assistance furnished under this section.

(d) Unencumbered balances of sums heretofore or hereafter deposited in the special account established pursuant to paragraph (2) of article V of the agreement of December 10, 1948, between the United States of America and the Republic of Korea (62 Stat., part 3, 3788) shall be used in Korea for such purposes as the President determines to be consistent with United Nations programs for assistance to Korea and as may be agreed to between the Government of the United States and the Republic of Korea.

(e) The functions of the Administrator for Economic Cooperation under the provisions of section 3 of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1551), shall hereafter be performed by such departments or agencies of the Government as the President shall direct.

TITLE IV—AMERICAN REPUBLICS

SEC. 401. In order to further the purpose of this Act through the furnishing of military assistance to the other American Republics, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$38,150,000 for carrying out the purposes of this section under the provisions of the Mutual Defense Assistance Act of 1949, as amended: Provided, That such assistance may be furnished only in accordance with defense plans which are found by the President to require the recipient country to participate in missions important to the defense of the Western Hemisphere. Any such assistance shall be subject to agreements, as provided herein and as required by section 402 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1573), designed to assure that the assistance will be used to promote the defense of the Western Hemisphere; and after agreement by the Government of the United States and the country concerned with respect to such missions, military assistance hereunder shall be furnished only in accordance with such agreement.

SEC. 402. In order to further the purpose of this Act among the peoples of the American Republics through the furnishing of technical assistance,

there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$21,250,000 for assistance under the provisions of the Act for International Development (22 U. S. C. 1557) and of the Institute of Inter-American Affairs Act, as amended (22 U. S. C. 281).

TITLE V—ORGANIZATION AND GENERAL PROVISIONS

UNIFIED DIRECTION OF PROGRAM

SEC. 501. (a) In order that the programs of military, economic, and technical assistance authorized by this Act may be administered as parts of a unified program in accordance with the intent of Congress and to fix responsibility for the coordination and supervision of these programs in a single person, the President is authorized to appoint in the Executive Office of the President a Director for Mutual Security. The Director, on behalf of the President and subject to his direction, shall have primary responsibility for—

(1) continuous supervision and general direction of the assistance programs under this Act to the end that such programs shall be (A) effectively integrated both at home and abroad, and (B) administered so as to assure that the defensive strength of the free nations of the world shall be built as quickly as possible on the basis of continuous and effective self-help and mutual aid;

(2) preparation and presentation to the Congress of such programs of foreign military, economic, and technical assistance as may be required in the interest of the security of the United States;

(3) preparation for the President of the report to the Congress required by section 518 of this Act.

(b) Except as otherwise provided by this Act, the Director shall not hold any other office or employment under the United States and shall not have any other responsibilities except those directly related to the coordination, supervision, and direction, of the programs covered by this Act or otherwise conferred upon him by law.

(c) The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$22,500 per annum.

(d) For the purpose of carrying out the provisions of this section, the President is authorized to utilize the positions created in subsection 406

(e) of the Mutual Defense Assistance Act of 1949, as amended. No person may serve in any such position under this subsection while at the same time he is an officer or employee of any other department or agency of the Government.

(e) (1) The fourth paragraph of section 101 (a) of the National Security Act of 1947, as amended (50 U. S. C. 402 (a)), is amended by inserting after clause (4) the following:

“(5) the Director for Mutual Security;”
and by renumbering clauses (5) and (6) thereof as clauses (6) and (7), respectively.

(2) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (59 Stat. 512), is amended by striking out “Economic Cooperation Administration” and inserting in lieu thereof “Mutual Security Agency” and by striking out “Administrator for Economic Cooperation” and inserting in lieu thereof “Director for Mutual Security”.

(3) Paragraph (1) of section 3 (a) of the Export-Import Bank Act of 1945, as amended (12 U. S. C. 635a (a) (1)), is amended by inserting after the words "Secretary of State," where they appear in the first sentence thereof the words "the Director for Mutual Security," and by striking out the last sentence of such paragraph and inserting in lieu thereof the following: "To the extent he deems it advisable the Secretary of State or the Director for Mutual Security, as the case may be, may designate to act for him in the discharge of his duties as a member of the Board of Directors any officer of his Department or Agency who shall have been appointed by the President by and with the advice and consent of the Senate. The Director for Mutual Security shall not be considered to be a member of the Board of Directors for the purposes of the first sentence of paragraph (3) of this subsection or for the purposes of subsection (b)."

MUTUAL SECURITY AGENCY

SEC. 502. (a) The Economic Cooperation Administration and the offices of Administrator for Economic Cooperation, Deputy Administrator, United States Special Representative in Europe, and Deputy Special Representative are hereby abolished.

(b) To assist in carrying out the purpose of this Act—

(1) there is hereby established, with its principal office at the seat of the government, a Mutual Security Agency, hereinafter referred to as the Agency, which shall be headed by the Director for Mutual Security; and

(2) there shall be transferred to the Director the powers, functions, and responsibilities conferred upon the Administrator for Economic Cooperation by the Economic Cooperation Act of 1948, as amended, and by any other law, but no such powers, functions, and responsibilities shall be exercised after June 30, 1952, except as provided in subsection (c) of this section.

(c) Not later than April 1, 1952, the President shall inform the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives which of the powers, functions, and responsibilities transferred to the Director by subsection (b) (2) are found by the President to be necessary to enable the Director after June 30, 1952, to carry out the duties conferred upon him by section 503. The termination provisions of section 122 of the Economic Cooperation Act of 1948, as amended, shall come into effect on June 30, 1952; and none of the powers, functions, and responsibilities conferred by that Act shall be exercised after that date, except those powers, functions, and responsibilities found necessary to enable the Director to carry out the duties conferred on him by section 503 of this Act, which powers, functions, and responsibilities unless otherwise provided by law shall continue in effect until June 30, 1954.

ADDITIONAL DUTIES OF DIRECTOR FOR MUTUAL SECURITY

SEC. 503. After June 30, 1952, the Director, on behalf of the President and subject to his direction, shall, in consultation with the Secretaries of State and Defense, continue to have primary responsibility for—

(a) the development and administration of programs of assistance designed to sustain and increase military effort, including produc-

tion, construction, equipment and matériel in each country or in groups of countries which receive United States military assistance;

(b) the provision of such equipment, materials, commodities, services, financial, or other assistance as he finds to be necessary for carrying out mutual defense programs; and

(c) the provision of limited economic assistance to foreign nations for which the United States has responsibility as a result of participation in joint control arrangements when the President finds that the provision of such economic assistance is in the interest of the security of the United States.

APPOINTMENT AND TRANSFER OF PERSONNEL

SEC. 504. (a) To carry out the functions conferred by sections 502 and 503 of this Act, there shall be in the Agency a Deputy Director, a Special Representative in Europe, and a Deputy Special Representative in Europe, who shall be appointed by the President by and with the advice and consent of the Senate, and shall have status and receive compensation comparable to the equivalent positions under the Economic Cooperation Act of 1948, as amended.

(b) Any personnel of the Economic Cooperation Administration, upon the certification of the Director for Mutual Security and with the approval of the Director of the Bureau of the Budget that such personnel are necessary to carry out the functions of the Director for Mutual Security, and all records and property of such Administration which the Director of the Bureau of the Budget determines are used primarily in the administration of the powers and functions transferred to the Director for Mutual Security by this Act, shall be transferred to the Mutual Security Agency.

(c) Of the personnel transferred to or employed by the Mutual Security Agency, not to exceed fifty may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed fifteen may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$15,000 per annum. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(d) On and after January 1, 1952, the number of United States citizens employed by the Mutual Security Agency shall be at least 10 per centum less than the number employed by the Economic Cooperation Administration on August 31, 1951: Provided, That the Director for Mutual Security shall cause studies to be made from time to time for the purpose of determining whether further reductions in personnel are feasible and consistent with the accomplishment of the purposes of this Act.

THE SECRETARY OF STATE

SEC. 505. Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

THE SECRETARY OF DEFENSE

SEC. 506. (a) In the case of aid under this Act for military end items and related technical assistance and advice, the Secretary of Defense shall have primary responsibility and authority for—

(1) the determination of military end-item requirements;

(2) the procurement of military equipment in a manner which permits its integration with service programs;

(3) the supervision of end-item use by the recipient countries;

(4) the supervision of the training of foreign military personnel; and

(5) the movement and delivery of military end items.

(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense. The apportionment of funds between countries shall be determined by the President.

(c) Notwithstanding any other provision of law, during the fiscal year 1952 the Secretary of Defense may furnish (subject to reimbursement from funds appropriated pursuant to this Act) military assistance out of the materials of war whose production in the United States shall have been authorized for, and appropriated to, the Department of Defense: Provided, however, That nothing in this Act shall authorize the furnishing of military items under this subsection in excess of \$1,000,000,000 in value. For the purposes of this subsection (1) "value" shall be determined in accordance with section 402 (c) of the Mutual Defense Assistance Act of 1949, as amended, and (2) the term "materials of war" means those goods, commonly known as military items, which are required for the performance of their missions by armed forces of a nation, including weapons, military vehicles, ships of war under fifteen hundred tons, aircraft, military communications equipment, ammunition, maintenance parts and spares, and military hardware.

OVERSEAS COORDINATION

SEC. 507. The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

RELATIONSHIP TO TECHNICAL COOPERATION ADMINISTRATION AND INSTITUTE OF INTER-AMERICAN AFFAIRS

SEC. 508. Nothing in this Act shall be construed to modify the provisions of section 412 of the Act for International Development or the provisions of the Institute of Inter-American Affairs Act.

DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

SEC. 509. Whenever the President determines it to be consistent with and in furtherance of the purpose of this Act, the head of any Government agency is authorized to—

(a) detail or assign any officer or employee of his agency to any office or position to which no compensation is attached with any foreign government or foreign government agency: Provided, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government; and

(b) detail, assign, or otherwise make available to any international organization in which the United States participates, any officer or employee of his agency to serve with or as a member of the international staff of such organizations.

Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds made available to that agency out of funds authorized under this Act.

SECURITY CLEARANCE

SEC. 510. No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Director or the Secretary of State under this Act or the Act for International Development for a period to exceed three months unless (a) such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Director or the Secretary of State, as the case may be, and until the Director or the Secretary of State has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views; or (b) such individual has been investigated by a military intelligence agency and the Secretary of Defense has certified in writing that he believes such individual is loyal to the United States and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate, nor shall it apply in the case of any person already employed under programs covered by this Act who has been previously investigated in connection with such employment.

ELIGIBILITY FOR ASSISTANCE

SEC. 511. (a) No military, economic, or technical assistance authorized pursuant to this Act (other than assistance provided under section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the President finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to—

(1) join in promoting international understanding and good will, and maintaining world peace;

(2) take such action as may be mutually agreed upon to eliminate causes of international tension;

(3) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

(5) take all reasonable measures which may be needed to develop its defense capacities; and

(6) take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

(b) No economic or technical assistance shall be supplied to any other nation unless the President finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and in maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

FUTURE AUTHORIZATIONS

SEC. 512. In order to carry out the purpose of this Act, with respect to those countries eligible to receive assistance as provided herein, funds shall be available as authorized and appropriated to the President each fiscal year.

TRANSFERABILITY BETWEEN TITLES

SEC. 513. Whenever the President determines it to be necessary for the purpose of this Act, not to exceed 10 per centum of the funds made available under any title of this Act may be transferred to and consolidated with funds made available under any other title of this Act in order to furnish, to a different area, assistance of the kind for which such funds were available before transfer. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives. In the case of the transfer of funds available for military purposes, he shall also forthwith notify the Committees on Armed Services of the Senate and House of Representatives.

STRATEGIC MATERIALS

SEC. 514. In order to promote the increased production, in areas covered by this Act, of materials in which the United States is deficient, not to exceed \$55,000,000 of the funds authorized to be appropriated pursuant to section 101 (a) (2) of this Act may be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

PROTECTION AGAINST ATTACHMENT

SEC. 515. All countries participating in any United States aid program or in any international organization receiving United States aid shall be required to so deposit, segregate, or assure title to all funds allocated to or derived from any program so that the same shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when in the opinion of the Director any such action would interfere with the attainment of the objectives of this Act.

ENCOURAGEMENT OF FREE ENTERPRISE

SEC. 516. It is hereby declared to be the policy of the Congress that this Act shall be administered in such a way as (1) to eliminate the barriers to, and provide the incentives for, a steadily increased participation of free private enterprise in developing the resources of foreign countries consistent with the policies of this Act, (2) to the extent that it is feasible and does

not interfere with the achievement of the purposes set forth in this Act, to discourage the cartel and monopolistic business practices prevailing in certain countries receiving aid under this Act which result in restricting production and increasing prices, and to encourage where suitable competition and productivity, and (3) to encourage where suitable the development and strengthening of the free labor union movements as the collective bargaining agencies of labor within such countries.

PATENTS AND TECHNICAL INFORMATION

SEC. 517. (a) As used in this section—

(1) the term "invention" means an invention or discovery covered by a patent issued by the United States, and

(2) the term "information" means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purpose of this Act—

(1) use within the United States, without authorization by the owner, shall be made of an invention, or

(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

(c) Before such suit against the United States has been instituted, the head of the appropriate department or agency of the Government, which has furnished any assistance in furtherance of the purpose of this Act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

(d) The provisions of the last sentence of section 1498 of Title 28 of the United States Code shall apply to inventions and information covered by this section.

(e) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the six years, unless suit is brought before the last-mentioned date.

REPORTS

SEC. 518. The President, from time to time while funds appropriated for the purpose of this Act continue to be available for obligation, shall transmit to the Congress, in lieu of any reports otherwise required by laws

continued in effect by this Act, reports covering each six months of operations in furtherance of the purpose of this Act, except information the disclosure of which he deems incompatible with the security of the United States. The first such report shall cover the six-month period commencing on the date this Act becomes effective. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

LOCAL CURRENCY

SEC. 519. (a) Upon a determination by the Director that it will further the purpose of this Act, not to exceed \$10,000,000 of the funds made available pursuant to section 203 of this Act and not to exceed \$25,000,000 of funds made available pursuant to section 302 of this Act may be advanced to countries covered by said sections in return for equivalent amounts of the currency of such countries being made available to meet local currency needs of the aid programs in such countries pursuant to agreements made in advance with the United States: Provided, That except when otherwise prescribed by the Director as necessary to the effective accomplishment of the aid programs in such countries, all funds so advanced shall be held under procedures set out in such agreements until used to pay for goods and services approved by the United States or until repaid to the United States for reimbursement to the appropriation from which drawn.

(b) In order to assist in carrying out the provisions of the Economic Cooperation Act of 1948, as amended, not to exceed \$50,000,000 of funds made available under the authority of this Act for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), may be used to acquire local currency for the purpose of increasing the production of materials in which the United States is deficient.

GUARANTIES

SEC. 520. Funds realized from the sales of notes pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be available for making guaranties of investments in accordance with the applicable provisions of sections 111 (b) (3) and 111 (c) (2) of the Economic Cooperation Act, as amended, in any area in which assistance is authorized by this Act.

ADMINISTRATIVE EXPENSES

SEC. 521. Funds made available for carrying out the provisions of title I of this Act shall be available for United States participation in the acquisition or construction of facilities in foreign countries for collective defense: Provided, That no part of such funds shall be expended for rental or purchase of land or for payment of taxes. Such funds shall also be available for the administrative expenses of carrying out the purposes of all of the titles of this Act, including expenses incident to United States participation in international security organizations and expenses in the United States in connection with programs authorized under the Act for International Development. Any currency of any nation received by the

United States for its own use in connection with assistance furnished by the United States may be used by any agency of the Government without reimbursement from any appropriation for the administrative and operating expenses of carrying out the purpose of this Act. Funds made available for carrying out the purpose of this Act in the Federal Republic of Germany may, as authorized in subsection 114 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1512 (h)), be transferred by the President to any department or agency for the expenses necessary to meet the responsibilities and obligations of the United States in the Federal Republic of Germany.

LOANS

SEC. 522. Section 111 (c) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), is hereby amended by adding a new paragraph as follows:

"(3) Of the assistance provided under the applicable provisions of this Act with funds made available under the authority of the Mutual Security Act of 1951, as great an amount (in no event less than 10 per centum) as possible shall be provided on credit terms."

USE OF COUNTERPART

SEC. 523. Section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (b) (6)), is hereby amended by—

(a) inserting in the second proviso thereof after "wealth" the following: "for the encouragement of emigration pursuant to subsection (e) of this section";

(b) adding in the last clause of the second proviso "and operating" after "administrative";

(c) striking from the last clause of the second proviso "within such country";

(d) substituting in the fourth proviso the words "upon termination of assistance to such country under this Act" in place of the words "on June 30, 1952"; and

(e) adding at the end thereof the following new sentences: "The Administrator shall exercise the power granted to him by this paragraph to make agreements with respect to the use of the funds deposited in the special accounts of 'participating countries' (as defined in section 103 (a) hereof) and any other countries receiving assistance under the Mutual Defense Assistance Act of 1949, as amended, in such a manner that the equivalent of not less than \$500,000,000 of such funds shall be used exclusively for military production, construction, equipment, and matériel in such countries. The amount to be devoted from each such special account for such use shall be agreed upon by the Administrator and the country or countries concerned."

RETURN OF EQUIPMENT

SEC. 524. The President shall make appropriate arrangements with each nation receiving equipment or material under the Mutual Defense Assistance Act of 1949, as amended (other than equipment or material furnished under terms requiring the nation to reimburse the United States in full therefor), for the return to the United States (1) for salvage or

scrap, or (2) for such other disposition as the President shall deem to be in the interest of mutual security, of any of such equipment or material as is no longer required for the purposes for which originally made available.

REIMBURSABLE AID

SEC. 525. Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1580), is hereby amended by adding in the first proviso thereof, after the words "of which it is a part", the words "or in United Nations collective security arrangements and measures", and by changing the figure at the end of such section 408 (e) to "\$500,000,000".

EXCESS EQUIPMENT

SEC. 526. The proviso in the first sentence of section 403 (d) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1574 (d)), is hereby amended to read as follows: "Provided, That after June 30, 1950, such limitation shall be increased by \$250,000,000 and after June 30, 1951, by an additional \$300,000,000".

CONGRESSIONAL COMMITTEE EXPENSES

SEC. 527. Section 115 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (h)) is amended by inserting before the period at the end thereof a comma and the following: "including local currency requirements of appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946".

UNITED NATIONS TECHNICAL ASSISTANCE

SEC. 528. The Act for International Development is amended—

(a) By adding before the period at the end of section 404 (b) the following: "Provided, That for the fiscal year ending June 30, 1952, such contributions from funds made available under authority of sections 101 (a) (2), 203, 302, and 402 of the Mutual Security Act of 1951 shall not exceed in the aggregate \$13,000,000, and the use of such contributions shall not be limited to the area covered by the section of the Act from which the funds are drawn".

(b) By adding at the end of section 407 a new paragraph:

"(d) Participating countries shall be encouraged to establish fair labor standards of wages and working conditions and management-labor relations."

(c) By repealing section 414.

TERMINATION OF ASSISTANCE BY PRESIDENT

SEC. 529. If the President determines that the furnishing of assistance to any nation—

(a) is no longer consistent with the national interest or security of the United States or the policies and purpose of this Act; or

(b) would contravene a decision of the Security Council of the United Nations; or

(c) would be inconsistent with the principle that members of the United Nations should refrain from giving assistance to any nation against which the Security Council or the General Assembly has

recommended measures in case of a threat to, or breach of, the peace, or act of aggression, he shall terminate all or part of any assistance furnished pursuant to this Act. The function conferred herein shall be in addition to all other functions heretofore conferred with respect to the termination of military, economic, or technical assistance.

EXPIRATION OF PROGRAM

SEC. 530. (a) After June 30, 1954, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, none of the authority conferred by this Act or by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604) may be exercised; except that during the twelve months following such date equipment, materials, commodities, and services with respect to which procurement for, shipment to, or delivery in a recipient country had been authorized prior to such date, may be transferred to such country, and funds appropriated under authority of this Act may be obligated during such twelve-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer and shall remain available during such period for the necessary expenses of liquidating operations under this Act.

(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the twelve months following such date, the powers, duties, and authority conferred by this Act and by the Mutual Defense Assistance Act of 1949, as amended, may be transferred for the purpose of liquidation to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, property and personnel may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

EFFECTIVE DATE

SEC. 531. Sections 502 (a), (b) (2), and section 504 (b) of this Act shall take effect on such date or dates as the President shall specify, but in no event later than sixty days after the date the Director first appointed takes office. Section 511 shall take effect ninety days after enactment of this Act. All other provisions of this Act shall take effect upon the date of its enactment.

And the Senate agree to the same.

*TOM CONNALLY,
THEODORE FRANCIS GREEN,
BRIEN McMAHON,
RICHARD B. RUSSELL,
ALEXANDER WILEY,
H. ALEXANDER SMITH,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.*

*J. P. RICHARDS,
MIKE MANSFIELD,
THOMAS E. MORGAN,
JOHN M. VORYS,
FRANCES P. BOLTON,
Managers on the Part of the House.*

and individual income taxes, not to exceed 1 hour each; that upon any amendment or motion to the above-named amendments, and upon any other amendment or motion proposed to the bill, not to exceed 30 minutes each, the time in each case to be equally divided and controlled by the mover of any such amendment and Mr. GEORGE: *Provided*, That in the event Mr. GEORGE is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the acting minority leader or someone designated by him: *Provided further*, That no amendment or motion that is not germane to the subject matter of the said bill shall be received: *Provided further*, That debate upon the final passage of the bill shall be limited to not exceeding 2 hours, to be equally divided and controlled by Mr. GEORGE and the acting minority leader or someone designated by him.

Mr. McFARLAND. Mr. President, will the Senator from Michigan yield further to me?

Mr. FERGUSON. I yield.

Mr. McFARLAND. Mr. President, if I may have the attention of the Senate, I wish to make another announcement: I hope we can complete action on this bill tomorrow evening or tomorrow night. If Senators work hard on the bill, I think we can do that; but it will require the attendance of all Senators on the floor of the Senate. I hope the committees which have planned to hold meetings tomorrow will adjourn their meetings immediately after they convene them, and thus will make it possible for us to have one day during which all Senators will be present on the floor of the Senate and will be available for work on this bill, so that we may complete our action on it. Thereafter the committees can meet as much as they wish to.

Mr. SALTONSTALL. Mr. President, will the Senator from Michigan yield to me for a moment?

Mr. FERGUSON. I yield.

Mr. SALTONSTALL. I understand that the plan is to have the Senate convene at 10 o'clock tomorrow morning. Is that correct?

Mr. McFARLAND. Yes; at 10 o'clock tomorrow morning.

I plead with all Senators to be here at 10 o'clock tomorrow morning and help us complete our action on this bill tomorrow. If Senators are present promptly at 10 o'clock, it will not be necessary to take time for quorum calls. If all Senators will cooperate in that way, I think we shall be able to complete our action on the bill tomorrow, and then we shall not have to have a session on Saturday.

Mr. HUMPHREY. Mr. President, will the Senator from Michigan yield to me?

Mr. FERGUSON. I yield.

Mr. HUMPHREY. As the Senator from Arizona recalls, a statement was made of a desire to bring up early in the session tomorrow the depletion-allowance amendment. Is it the intention that that shall be done?

Mr. McFARLAND. Mr. President, I should like to have the Senator from Minnesota state his intention in that connection.

Mr. HUMPHREY. I should like to have that done, Mr. President.

Mr. McFARLAND. Very well.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Massachusetts will state it.

Mr. SALTONSTALL. It is my understanding that part of the unanimous-consent agreement which has been entered into provides that the question before the Senate tomorrow morning shall be the amendment of the Senator from North Dakota. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. LANGER. Mr. President, I send the amendment to the desk and ask that it lie on the table.

The PRESIDING OFFICER. The amendment will be received and will lie on the table.

Mr. McFARLAND. Mr. President, I wish to express my appreciation to all the Members of the Senate for their kindness in helping us obtain the agreement which has now been reached.

Before my distinguished friend, the Senator from Michigan [Mr. FERGUSON], addresses the Senate, I also wish to express my appreciation to Senators on his side of the aisle for remaining in the chamber this long, before going to their dinner. I hope they have a delightful dinner, and that tomorrow morning when they come to the Senate Chamber they will feel fine.

Mr. WATKINS. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD a statement I have prepared in regard to one of the amendments which were considered today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WATKINS

Several hours ago I voted to tax the tax-free expense allowances of the President and Vice President of the United States and Members of Congress, including myself. I felt that it was not right that officials of the Government of the United States, be they the holders of high or low offices, should enjoy tax exemptions not enjoyed by all of our people.

I was not a Member of the Senate of the United States when the Legislative Reorganization Act of 1946 was passed, and therefore I had no hand in voting a \$2,500 tax-free expense allowance to Members of Congress. I was a member of this body on January 13, 1949, when a bill to grant the President a \$50,000 tax-free expense account was voted upon by this body. On that occasion I expressed myself as follows, and I am quoting from page 222 of the CONGRESSIONAL RECORD for January 13, 1949, Eighty-first Congress, first session:

"I should like to make an observation with reference to what the Senator from Illinois said concerning Congress voting itself expense money for which it does not need to account. I was not here at the time action was taken on that measure, and I did not vote for it. If the question were up for action today, I would not vote for such a measure. I think it is wrong in principle."

That statement was made by me in an exchange with Senator Donnell of Missouri who was urging the adoption of an amendment that the President be required to make an accounting for the \$50,000 annual expense allowance which the Senate was then preparing to authorize. I was one of 22 Senators who voted "aye" on that proposal; 61

Senators voted "nay." As a consequence the President has not been required to account for his \$50,000 annual expense allowance.

The bill which actually authorized the appropriation of \$50,000 each year to the President as a tax-free expense allowance in addition to his salary and other allowances was passed by the Senate on January 13, 1949. I was one of nine Senators who voted against that bill.

Today, more than 2½ years later, the Senate has reversed the action of 2½ years ago by adopting the so-called Williams amendment to the general tax-increase bill which is now the pending business of the Senate. I am proud to say that I was one of the cosponsors of the Williams amendment. I am equally proud to say that I was 1 of the 77 Senators who voted for the amendment. That means that I have voted not only to tax the President's annual tax-free allowance, but also to tax the allowance of Members of Congress, including my own.

On January 18, 1949, 2 days after I had voted in favor of a proposal to require the President to account for his \$50,000 annual expense allowance, I inserted an article in the CONGRESSIONAL RECORD which is even more in point today than it was in 1949. That article was as follows:

[From the Washington (D. C.) Evening Star of January 17, 1949]

TAX-FREE ALLOWANCE VOTED BY SENATE SEEN PROBLEM FOR TRUMAN—PRESIDENT CANNOT KNOW WHETHER HE'S ENTITLED TO MONEY AS PAY UNDER BILL

(By David Lawrence)

President Truman can save future Presidents much embarrassment and set an example of forbearance and dignity by requesting the House of Representatives to amend the bill just passed by the Senate that gives him a \$50,000 tax-free expense allowance. No President hereafter will ever be sure whether he can pocket that sum as a part of his income or whether he is under moral obligation to spend it only for a public purpose.

It isn't as if a President doesn't have his expenses paid by the Government. For out of the so-called budget for the White House of more than \$1,000,000 a year, he gets the following things:

1. A house with plenty of bedrooms and baths, rent free, plus servants—not a dime of which expense he has to pay. All upkeep and repair expenses are paid by Uncle Sam. The maintenance amounts to about \$260,000 a year.
2. All expenses for official entertainment.
3. A fleet of automobiles and chauffeurs for the personal use of himself and family. The Government pays for the upkeep and gasoline used.

GETS PRIVATE YACHT

4. A private yacht and crew that cost the Government a large sum annually to maintain.

5. A private airplane with luxury accommodations and maintenance crew that costs the Government quite a sum annually to maintain.

6. A \$40,000 allowance for travel which can be used for political campaigning by the simple trick of calling the trips nonpolitical.

Now it is proposed to increase the President's salary from \$75,000 to \$100,000. This item would be taxable and thus the President would be just like anybody else insofar as that sum is concerned. Last year he netted approximately \$48,000 after taxes because of the split-income rates of husband and wife and under the proposed salary he would net \$60,000 after taxes.

But when it comes to the \$50,000 expense allowance, tax free, which the Senate has just voted to the President, no businessman

has any such privilege. The Government scrutinizes closely expense accounts in business and disallows them if not spent for business purposes. Even so, when the item is ruled to be deductible, the Government bears only 38 percent, while the employer bears 62 percent of the cost of the expense item. There are no tax-free expense allowances in private business.

NO ACCOUNTING NECESSARY

The precedent in this case is also bad because the Senate voted that a President didn't have to make an accounting if he didn't want to do so. Does this mean he can add the \$50,000 to personal income? Why put a President of the United States in the embarrassing position of having to decide whether a given expenditure is one that he would or would not have made if he had not been the Chief Executive?

If the House of Representatives wishes to put the matter of a President's salary on a realistic basis, it can increase the present amount to a total of \$240,000 a year and make all of this taxable just as is any executive's salary, subject to the usual deductions. This means that at present rates his net sum after taxes would be about \$110,000, or the equivalent of a \$100,000 taxable salary and \$50,000 tax-free allowance as the Senate has proposed.

No element of tax avoidance would then be involved and the precedent would be an honorable one, though to be sure many of the so-called "little people" who are supposed to have won the election for Mr. Truman will wonder since when does "a man of the people" need so much money for personal use the moment he wins an election?

A President who cannot save money on a \$75,000 taxable salary when all his rent and servants and transportation are paid for by the Government is not setting a good example of economy or thrift. Likewise a President who accepts a tax-free allowance of any kind and asks the other citizens to pay taxes is not interpreting correctly the basic principles of Thomas Jefferson on which the Democratic Party was founded. Only kings and princes are treated on any other basis. It's a bad way to start off the Fair Deal.

MUTUAL ASSISTANCE ACT OF 1951—CONFERENCE REPORT (S. DOC. NO. 73)

Mr. CONNALLY, Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security. I do not wish to have it considered at this time, but merely to submit the report.

The PRESIDING OFFICER. The report will be received, and printed, and will lie on the table, and will be printed in the RECORD.

The report submitted by Mr. CONNALLY is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to

be inserted by the Senate amendment insert the following:

"That this Act may be cited as the 'Mutual Security Act of 1951'.

"SEC. 2. The Congress declares it to be the purpose of this Act to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and the Act for International Development (22 U. S. C. 1557) shall hereafter be deemed to include this purpose.

"TITLE I—EUROPE

"SEC. 101. (a) In order to support the freedom of Europe through assistance which will further the carrying out of the plans for defense of the North Atlantic area, while at the same time maintaining the economic stability of the countries of the area so that they may meet their responsibilities for defense, and to further encourage the economic unification and the political federation of Europe, there are hereby authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and accomplishing the policies and purpose of this Act—

"(1) not to exceed \$5,028,000,000 for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this Act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States (any such determination to be reported forthwith to the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives), and not to exceed \$100,000,000 of such appropriation for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist dominated or Communist occupied areas of Germany and Austria, and any other countries absorbed by the Soviet Union either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance will contribute to the defense of the North Atlantic area and to the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph. Section 408 (c) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1579), is hereby repealed.

"(2) not to exceed \$1,022,000,000 for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522) (including assistance to further European military production),

for any country of Europe covered by paragraph (1) of this subsection and for any other country covered by section 103 (a) of the said Economic Cooperation Act of 1948, as amended. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph: *Provided*, That not to exceed \$10,000,000 of the funds made available pursuant to this paragraph may be utilized to effectuate the principles set forth in section 115 (e) of the Economic Cooperation Act of 1948, as amended.

"(b) Not to exceed 10 per centum of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purpose of this Act, between appropriations granted pursuant to either paragraph of subsection (a): *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.

"TITLE II—NEAR EAST AND AFRICA

"SEC. 201. In order to further the purpose of this Act by continuing to provide military assistance to Greece, Turkey, and Iran, there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$396,250,000 for furnishing assistance to Greece and Turkey pursuant to the provisions of the Act of May 22, 1947, as amended (22 U. S. C. 1401-1410), and for furnishing assistance to Iran pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604). In addition, unexpended balances of appropriations heretofore made for assistance to Greece and Turkey, available for the fiscal year 1951, pursuant to the Act of May 22, 1947, as amended, and for assistance to Iran pursuant to the Mutual Defense Assistance Act of 1949, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

"SEC. 202. Whenever the President determines that such action is essential for the purpose of this Act, he may provide assistance, pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended, to any country of the Near East area (other than those covered by section 201) and may utilize not to exceed 10 per centum of the amount made available (excluding balances of prior appropriations continued available) pursuant to section 201 of this Act: *Provided*, That any such assistance may be furnished only upon determination by the President that (1) the strategic location of the recipient country makes it of direct importance to the defense of the Near East area, (2) such assistance is of critical importance to the defense of the free nations, and (3) the immediately increased ability of the recipient country to defend itself is important to the preservation of the peace and security of the area and to the security of the United States.

"SEC. 203. In order to further the purpose of this Act in Africa and the Near East, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$160,000,000 for economic and technical assistance in Africa and the Near East in areas other than those covered by section 103 (a) of the Economic Cooperation Act of 1948, as amended (22

U. S. C. 1502). Funds appropriated pursuant to this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557).

"Sec. 204. Not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be contributed to the United Nations during the fiscal year 1952, for the purposes, and under the provisions, of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556): *Provided*, That, whenever the President shall determine that it would more effectively contribute to the purposes of the said United Nations Palestine Refugee Aid Act of 1950, he may allocate any part of such funds to any agency of the United States Government to be utilized in furtherance of the purposes of said Act and any amount so allocated shall be a part of the United States contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East and shall be so credited by said Agency.

"Sec. 205. In order to assist in the relief of refugees coming into Israel, not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be utilized during the fiscal year 1952, under such terms and conditions as the President may prescribe, for specific refugee relief and resettlement projects in Israel.

"TITLE III—ASIA AND PACIFIC

"Sec. 301. In order to carry out in the general area of China (including the Republic of the Philippines and the Republic of Korea) the provisions of subsection (a) of section 303 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1604 (a)), there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$535,250,000. In addition, unexpended balances of appropriations heretofore made for carrying out the provisions of title III of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1602-1604), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed \$50,000,000 of funds appropriated pursuant to this section (excluding balances of appropriations continued available) may be accounted for as provided in subsection (a) of said section 303.

"Sec. 302. (a) In order to further the purpose of this Act through the strengthening of the area covered in section 301 of this Act (but not including the Republic of Korea), there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$237,500,000 for economic and technical assistance in those portions of such area which the President deems to be not under Communist control. Funds appropriated pursuant to authority of this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557). In addition, unexpended balances of funds heretofore made available for carrying out the purposes of the China Area Aid Act of 1950 (22 U. S. C. 1547), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

"(b) The third proviso of section 203 of the China Area Aid Act of 1950 is amended by inserting "and of Korea" after "selected citizens of China" the first time it appears therein.

"Sec. 303. (a) In order to provide for a United States contribution to the United Nations Korean Reconstruction Agency, established by the resolution of the General Assembly of the United Nations of December 1, 1950, there are hereby authorized to be

appropriated to the President not to exceed \$45,000,000. In addition, unobligated balances of the appropriations heretofore made, and available during the fiscal year 1951, for assistance to Korea under authority of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1543, 1551, 1552), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed 50 per centum of the total of the appropriations authorized by this section may, when determined by the President to be necessary for the purpose of this Act, be transferred to and consolidated with the appropriation authorized by paragraph 302 (a).

"(b) The sums made available pursuant to subsection (a) may be contributed from time to time on behalf of the United States in such amounts as the President determines to be appropriate to support those functions of the United Nations Korean Reconstruction Agency which the military situation in Korea permits the Agency to undertake pursuant to arrangements between the Agency and the United Nations Unified Command. The aggregate amount which may be contributed on behalf of the United States pursuant to the preceding sentence shall be reduced by the value of goods and services made available to Korea by any department or agency of the United States for relief and economic assistance after the assumption of responsibility for relief and rehabilitation operations in Korea by the United Nations Korean Reconstruction Agency.

"(c) The provisions of subsections 304 (a) and (b) of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556 (b)) are hereby made applicable with respect to Korean assistance furnished under this section.

"(d) Unencumbered balances of sums heretofore or hereafter deposited in the special account established pursuant to paragraph (2) of article V of the agreement of December 10, 1948, between the United States of America and the Republic of Korea (62 Stat., part 3, 3788) shall be used in Korea for such purposes as the President determines to be consistent with United Nations programs for assistance to Korea and as may be agreed to between the Government of the United States and the Republic of Korea.

"(e) The functions of the Administrator for Economic Cooperation under the provisions of section 3 of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1551), shall hereafter be performed by such departments or agencies of the Government as the President shall direct.

"TITLE IV—AMERICAN REPUBLICS

"Sec. 401. In order to further the purpose of this Act through the furnishing of military assistance to the other American Republics, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$38,150,000 for carrying out the purposes of this section under the provisions of the Mutual Defense Assistance Act of 1949, as amended: *Provided*, That such assistance may be furnished only in accordance with defense plans which are found by the President to require the recipient country to participate in missions important to the defense of the Western Hemisphere. Any such assistance shall be subject to agreements, as provided herein and as required by section 402 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1573), designed to assure that the assistance will be used to promote the defense of the Western Hemisphere; and after agreement by the Government of the United States and the country concerned with respect to such missions, military assistance hereunder shall be furnished only in accordance with such agreement.

"Sec. 402. In order to further the purpose of this Act among the peoples of the Ameri-

can Republics through the furnishing of technical assistance, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$21,250,000 for assistance under the provisions of the Act for International Development (22 U. S. C. 1557) and of the Institute of Inter-American Affairs Act, as amended (22 U. S. C. 281).

"TITLE V—ORGANIZATION AND GENERAL PROVISIONS

"UNIFIED DIRECTION OF PROGRAM

"Sec. 501. (a) In order that the programs of military, economic, and technical assistance authorized by this Act may be administered as parts of a unified program in accordance with the intent of Congress and to fix responsibility for the coordination and supervision of these programs in a single person, the President is authorized to appoint in the Executive Office of the President a Director for Mutual Security. The Director, on behalf of the President and subject to his direction, shall have primary responsibility for—

"(1) continuous supervision and general direction of the assistance programs under this Act to the end that such programs shall be (A) effectively integrated both at home and abroad, and (B) administered so as to assure that the defensive strength of the free nations of the world shall be built as quickly as possible on the basis of continuous and effective self-help and mutual aid;

"(2) preparation and presentation to the Congress of such programs of foreign military, economic, and technical assistance as may be required in the interest of the security of the United States;

"(3) preparation for the President of the report to the Congress required by section 518 of this Act.

"(b) Except as otherwise provided by this Act, the Director shall not hold any other office or employment under the United States and shall not have any other responsibilities except those directly related to the coordination, supervision, and direction, of the programs covered by this Act or otherwise conferred upon him by law.

"(c) The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$22,500 per annum.

"(d) For the purpose of carrying out the provisions of this section, the President is authorized to utilize the positions created in subsection 406 (e) of the Mutual Defense Assistance Act of 1949, as amended. No person may serve in any such position under this subsection while at the same time he is an officer or employee of any other department or agency of the Government.

"(e) (1) The fourth paragraph of section 101 (a) of the National Security Act of 1947, as amended (50 U. S. C. 402 (a)), is amended by inserting after clause (4) the following:

"(5) the Director for Mutual Security;"

and by renumbering clauses (5) and (6) thereof as clauses (6) and (7), respectively.

"(2) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (59 Stat. 512), is amended by striking out 'Economic Cooperation Administration' and inserting in lieu thereof 'Mutual Security Agency' and by striking out 'Administrator for Economic Cooperation' and inserting in lieu thereof 'Director for Mutual Security'.

"(3) Paragraph (1) of section 3 (a) of the Export-Import Bank Act of 1945, as amended (12 U. S. C. 635a (a) (1)), is amended by inserting after the words 'Secretary of State,' where they appear in the first sentence thereof the words 'the Director for Mutual Security,' and by striking out the last sentence of such paragraph and inserting in lieu thereof the following: 'To the extent he deems it advisable the Secretary of State or the Director for Mutual Security, as the case may be, may designate to act for him in

the discharge of his duties as a member of the Board of Directors any officer of his Department or Agency who shall have been appointed by the President by and with the advice and consent of the Senate. The Director for Mutual Security shall not be considered to be a member of the Board of Directors for the purposes of the first sentence of paragraph (3) of this subsection or for the purposes of subsection (b)."

"MUTUAL SECURITY AGENCY"

"SEC. 502. (a) The Economic Cooperation Administration and the offices of Administrator for Economic Cooperation, Deputy Administrator, United States Special Representative in Europe, and Deputy Special Representative are hereby abolished.

"(b) To assist in carrying out the purpose of this Act—

"(1) there is hereby established, with its principal office at the seat of the government, a Mutual Security Agency, hereinafter referred to as the Agency, which shall be headed by the Director for Mutual Security; and

"(2) there shall be transferred to the Director the powers, functions, and responsibilities conferred upon the Administrator for Economic Cooperation by the Economic Cooperation Act of 1948, as amended, and by any other law, but no such powers, functions, and responsibilities shall be exercised after June 30, 1952, except as provided in subsection (c) of this section.

"(c) Not later than April 1, 1952, the President shall inform the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives which of the powers, functions, and responsibilities transferred to the Director by subsection (b) (2) are found by the President to be necessary to enable the Director after June 30, 1952, to carry out the duties conferred upon him by section 503. The termination provisions of section 122 of the Economic Cooperation Act of 1948, as amended, shall come into effect on June 30, 1952, and none of the powers, functions, and responsibilities conferred by that Act shall be exercised after that date, except those powers, functions, and responsibilities found necessary to enable the Director to carry out the duties conferred on him by section 503 of this Act, which powers, functions, and responsibilities unless otherwise provided by law shall continue in effect until June 30, 1954.

"ADDITIONAL DUTIES OF DIRECTOR FOR MUTUAL SECURITY"

"Sec. 503. After June 30, 1952, the Director, on behalf of the President and subject to his direction, shall, in consultation with the Secretaries of State and Defense, continue to have primary responsibility for—

"(a) the development and administration of programs of assistance designed to sustain and increase military effort, including production, construction, equipment and matériel in each country or in groups of countries which receive United States military assistance;

"(b) the provision of such equipment, materials, commodities, services, financial, or other assistance as he finds to be necessary for carrying out mutual defense programs; and

"(c) the provision of limited economic assistance to foreign nations for which the United States has responsibility as a result of participation in joint control arrangements when the President finds that the provision of such economic assistance is in the interest of the security of the United States.

"APPOINTMENT AND TRANSFER OF PERSONNEL"

"Sec. 504. (a) To carry out the functions conferred by sections 502 and 503 of this Act, there shall be in the Agency a Deputy Director, a Special Representative in Europe,

and a Deputy Special Representative in Europe, who shall be appointed by the President by and with the advice and consent of the Senate, and shall have status and receive compensation comparable to the equivalent positions under the Economic Cooperation Act of 1948, as amended.

"(b) Any personnel of the Economic Cooperation Administration, upon the certification of the Director for Mutual Security and with the approval of the Director of the Bureau of the Budget that such personnel are necessary to carry out the functions of the Director for Mutual Security, and all records and property of such Administration which the Director of the Bureau of the Budget determines are used primarily in the administration of the powers and functions transferred to the Director for Mutual Security by this Act, shall be transferred to the Mutual Security Agency.

"(c) Of the personnel transferred to or employed by the Mutual Security Agency, not to exceed fifty may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed fifteen may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$15,000 per annum. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

"(d) On and after January 1, 1952, the number of United States citizens employed by the Mutual Security Agency shall be at least 10 per centum less than the number employed by the Economic Cooperation Administration on August 31, 1951: *Provided*, That the Director for Mutual Security shall cause studies to be made from time to time for the purpose of determining whether further reductions in personnel are feasible and consistent with the accomplishment of the purposes of this Act.

"THE SECRETARY OF STATE"

"Sec. 505. Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

"THE SECRETARY OF DEFENSE"

"Sec. 506. (a) In the case of aid under this Act for military end items and related technical assistance and advice, the Secretary of Defense shall have primary responsibility and authority for—

"(1) the determination of military end-item requirements;

"(2) the procurement of military equipment in a manner which permits its integration with service programs;

"(3) the supervision of end-item use by the recipient countries;

"(4) the supervision of the training of foreign military personnel; and

"(5) the movement and delivery of military end items.

"(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense. The apportionment of funds between countries shall be determined by the President.

"(c) Notwithstanding any other provision of law, during the fiscal year 1952 the Secretary of Defense may furnish (subject to reimbursement from funds appropriated pursuant to this Act) military assistance out of the materials of war whose production in the United States shall have been authorized for, and appropriated to, the Department of Defense: *Provided, however*, That nothing in this Act shall authorize the furnishing of military items under this subsection in excess of \$1,000,000,000 in value. For the purposes of this subsection (1) 'value' shall be determined in accordance with section 402 (c) of the Mutual Defense Assistance Act of

1949, as amended, and (2) the term 'materials of war' means those goods, commonly known as military items, which are required for the performance of their missions by armed forces of a nation, including weapons, military vehicles, ships of war under fifteen hundred tons, aircraft, military communications equipment, ammunition, maintenance parts and spares and military hardware.

"OVERSEAS COORDINATION"

"Sec. 507. The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

"RELATIONSHIP TO TECHNICAL COOPERATION ADMINISTRATION AND INSTITUTE OF INTER-AMERICAN AFFAIRS"

"Sec. 508. Nothing in this Act shall be construed to modify the provisions of section 412 of the Act for International Development or the provisions of the Institute of Inter-American Affairs Act.

"DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS"

"Sec. 509. Whenever the President determines it to be consistent with and in furtherance of the purpose of this Act, the head of any Government agency is authorized to—

"(a) detail or assign any officer or employee of his agency to any office or position to which no compensation is attached with any foreign government or foreign government agency: *Provided*, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government; and

"(b) detail, assign, or otherwise make available to any international organization in which the United States participates, any officer or employee of his agency to serve with or as a member of the international staff of such organizations.

Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds made available to that agency out of funds authorized under this Act.

"SECURITY CLEARANCE"

"Sec. 510. No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Director or the Secretary of State under this Act or the Act for International Development for a period to exceed three months unless (a) such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Director or the Secretary of State, as the case may be, and until the Director or the Secretary of State has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views; or (b) such individual has been investigated by a military intelligence agency and the Secretary of Defense has certified in writing that he believes such individual is loyal to the United States and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate, nor shall it apply in the case

of any person already employed under programs covered by this Act who has been previously investigated in connection with such employment.

"Eligibility for assistance

"SEC. 511. (a) No military, economic, or technical assistance authorized pursuant to this Act (other than assistance provided under section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the President finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to—

"(1) join in promoting international understanding and good will, and maintaining world peace;

"(2) take such action as may be mutually agreed upon to eliminate causes of international tension;

"(3) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

"(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

"(5) take all reasonable measures which may be needed to develop its defense capacities; and

"(6) take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

"(b) No economic or technical assistance shall be supplied to any other nation unless the President finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and in maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

"FUTURE AUTHORIZATIONS

"SEC. 512. In order to carry out the purpose of this Act, with respect to those countries eligible to receive assistance as provided herein, funds shall be available as authorized and appropriated to the President each fiscal year.

"TRANSFERABILITY BETWEEN TITLES

"SEC. 513. Whenever the President determines it to be necessary for the purpose of this Act, not to exceed 10 per centum of the funds made available under any title of this Act may be transferred to and consolidated with funds made available under any other title of this Act in order to furnish, to a different area, assistance of the kind for which such funds were available before transfer. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives. In the case of the transfer of funds available for military purposes, he shall also forthwith notify the Committees on Armed Services of the Senate and House of Representatives.

"STRATEGIC MATERIALS

"SEC. 514. In order to promote the increased production, in areas covered by this Act, of materials in which the United States is deficient, not to exceed \$55,000,000 of the funds authorized to be appropriated pursuant to section 101 (a) (2) of this Act may be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

"PROTECTION AGAINST ATTACHMENT

"SEC. 515. All countries participating in any United States aid program or in any international organization receiving United States aid shall be required to so deposit, segregate, or assure title to all funds allocated to or derived from any program so that the same shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when in the opinion of the Director any such action would interfere with the attainment of the objectives of this Act.

"ENCOURAGEMENT OF FREE ENTERPRISE

"SEC. 516. It is hereby declared to be the policy of the Congress that this Act shall be administered in such a way as (1) to eliminate the barriers to, and provide the incentives for, a steadily increased participation of free private enterprise in developing the resources of foreign countries consistent with the policies of this Act, (2) to the extent that it is feasible and does not interfere with the achievement of the purposes set forth in this Act, to discourage the cartel and monopolistic business practices prevailing in certain countries receiving aid under this Act which result in restricting production and increasing prices, and to encourage where suitable competition and productivity, and (3) to encourage where suitable the development and strengthening of the free labor union movements as the collective bargaining agencies of labor within such countries.

"PATENTS AND TECHNICAL INFORMATION

"SEC. 517. (a) As used in this section—

"(1) the term 'invention' means an invention or discovery covered by a patent issued by the United States, and

"(2) the term 'information' means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

"(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purpose of this Act—

"(1) use within the United States, without authorization by the owner, shall be made of an invention, or

"(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

"(c) Before such suit against the United States has been instituted, the head of the appropriate department or agency of the Government, which has furnished any assistance in furtherance of the purpose of this Act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

"(d) The provisions of the last sentence of section 1498 of Title 28 of the United States Code shall apply to inventions and information covered by this section.

"(e) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of

receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the six years, unless suit is brought before the last-mentioned date.

"REPORTS

"SEC. 518. The President, from time to time while funds appropriated for the purpose of this Act continue to be available for obligation, shall transmit to the Congress, in lieu of any reports otherwise required by laws continued in effect by this Act, reports covering each six months of operations in furtherance of the purpose of this Act, except information the disclosure of which he deems incompatible with the security of the United States. The first such report shall cover the six-month period commencing on the date this Act becomes effective. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

"LOCAL CURRENCY

"SEC. 519. (a) Upon a determination by the Director that it will further the purpose of this Act, not to exceed \$10,000,000 of the funds made available pursuant to section 203 of this Act and not to exceed \$25,000,000 of funds made available pursuant to section 302 of this Act may be advanced to countries covered by said sections in return for equivalent amounts of the currency of such countries being made available to meet local currency needs of the aid programs in such countries pursuant to agreements made in advance with the United States: *Provided*, That except when otherwise prescribed by the Director as necessary to the effective accomplishment of the aid programs in such countries, all funds so advanced shall be held under procedures set out in such agreements until used to pay for goods and services approved by the United States or until repaid to the United States for reimbursement to the appropriation from which drawn.

"(b) In order to assist in carrying out the provisions of the Economic Cooperation Act of 1948, as amended, not to exceed \$50,000,000 of funds made available under the authority of this Act for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), may be used to acquire local currency for the purpose of increasing the production of materials in which the United States is deficient.

"GUARANTIES

"SEC. 520. Funds realized from the sales of notes pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be available for making guaranties of investments in accordance with the applicable provisions of sections 111 (b) (3) and 111 (c) (2) of the Economic Cooperation Act, as amended, in any area in which assistance is authorized by this Act.

"ADMINISTRATIVE EXPENSES

"SEC. 521. Funds made available for carrying out the provisions of title I of this Act shall be available for United States participation in the acquisition or construction of facilities in foreign countries for collective defense: *Provided*, That no part of such funds shall be expended for rental or purchase of land or for payment of taxes. Such funds shall also be available for the administrative expenses of carrying out the purposes of all of the titles of this Act, including expenses incident to United States participation in international security organizations

and expenses in the United States in connection with programs authorized under the Act for International Development. Any currency of any nation received by the United States for its own use in connection with assistance furnished by the United States may be used by any agency of the Government without reimbursement from any appropriation for the administrative and operating expenses of carrying out the purpose of this Act. Funds made available for carrying out the purpose of this Act in the Federal Republic of Germany may, as authorized in subsection 114 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1512 (h)), be transferred by the President to any department or agency for the expenses necessary to meet the responsibilities and obligations of the United States in the Federal Republic of Germany.

"LOANS

"SEC. 522. Section 111 (c) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), is hereby amended by adding a new paragraph as follows:

"(3) Of the assistance provided under the applicable provisions of this Act with funds made available under the authority of the Mutual Security Act of 1951, as great an amount (in no event less than 10 per centum) as possible shall be provided on credit terms."

"USE OF COUNTERPART

"SEC. 523. Section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (b) (6)), is hereby amended by—

"(a) inserting in the second proviso thereof after 'wealth' the following: 'for the encouragement of emigration pursuant to subsection (e) of this section';

"(b) adding in the last clause of the second proviso 'and operating' after 'administrative';

"(c) striking from the last clause of the second proviso 'within such country';

"(d) substituting in the fourth proviso the words 'upon termination of assistance to such country under this Act' in place of the words 'on June 30, 1952'; and

"(e) adding at the end thereof the following new sentences: 'The Administrator shall exercise the power granted to him by this paragraph to make agreements with respect to the use of the funds deposited in the special accounts of "participating countries" (as defined in section 103 (a) hereof) and any other countries receiving assistance under the Mutual Defense Assistance Act of 1949, as amended, in such a manner that the equivalent of not less than \$500,000,000 of such funds shall be used exclusively for military production, construction, equipment, and matériel in such countries. The amount to be devoted from each such special account for such use shall be agreed upon by the Administrator and the country or countries concerned.'"

"RETURN OF EQUIPMENT

"SEC. 524. The President shall make appropriate arrangements with each nation receiving equipment or material under the Mutual Defense Assistance Act of 1949, as amended (other than equipment or material furnished under terms requiring the nation to reimburse the United States in full therefor), for the return to the United States (1) for salvage or scrap, or (2) for such other disposition as the President shall deem to be in the interest of mutual security, of any of such equipment or material as is no longer required for the purposes for which originally made available.

"REIMBURSABLE AID

"SEC. 525. Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1580), is hereby amended by adding in the first proviso thereof, after the

words 'of which it is a part', the words 'or in United Nations collective security arrangements and measures', and by changing the figure at the end of such section 408 (e) to '\$500,000,000'.

"EXCESS EQUIPMENT

"SEC. 526. The proviso in the first sentence of section 403 (d) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1574 (d)), is hereby amended to read as follows: 'Provided, That after June 30, 1950, such limitation shall be increased by \$250,000,000 and after June 30, 1951, by an additional \$300,000,000'.

"CONGRESSIONAL COMMITTEE EXPENSES

"SEC. 527. Section 115 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (h)) is amended by inserting before the period at the end thereof a comma and the following: 'including local currency requirements of appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946'.

"UNITED NATIONS TECHNICAL ASSISTANCE

"SEC. 528. The Act for International Development is amended—

"(a) By adding before the period at the end of section 404 (b) the following: 'Provided, That for the fiscal year ending June 30, 1952, such contributions from funds made available under authority of sections 101 (a) (2), 203, 302, and 402 of the Mutual Security Act of 1951 shall not exceed in the aggregate \$13,000,000, and the use of such contributions shall not be limited to the area covered by the section of the Act from which the funds are drawn'.

"(b) By adding at the end of section 407 a new paragraph:

"(d) Participating countries shall be encouraged to establish fair labor standards of wages and working conditions and management-labor relations."

"(c) By repealing section 414.

"TERMINATION OF ASSISTANCE BY PRESIDENT

"SEC. 529. If the President determines that the furnishing of assistance to any nation—

"(a) is no longer consistent with the national interest or security of the United States or the policies and purpose of this Act; or

"(b) would contravene a decision of the Security Council of the United Nations; or

"(c) would be inconsistent with the principle that members of the United Nations should refrain from giving assistance to any nation against which the Security Council or the General Assembly has recommended measures in case of a threat to, or breach of, the peace, or act of aggression, he shall terminate all or part of any assistance furnished pursuant to this Act. The function conferred herein shall be in addition to all other functions heretofore conferred with respect to the termination of military, economic, or technical assistance.

"EXPIRATION OF PROGRAM

"SEC. 530. (a) After June 30, 1954, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, none of the authority conferred by this Act or by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604) may be exercised; except that during the twelve months following such date equipment, materials, commodities, and services with respect to which procurement for, shipment to, or delivery in a recipient country had been authorized prior to such date, may be transferred to such country, and funds appropriated under authority of this Act may be obligated during such twelve-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer and shall remain available during such

period for the necessary expenses of liquidating operations under this Act.

"(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the twelve months following such date, the powers, duties, and authority conferred by this Act and by the Mutual Defense Assistance Act of 1949, as amended, may be transferred for the purpose of liquidation to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, property and personnel may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

"EFFECTIVE DATE

"SEC. 531. Sections 502 (a), (b) (2), and section 504 (b) of this Act shall take effect on such date or dates as the President shall specify, but in no event later than sixty days after the date the Director first appointed takes office. Section 511 shall take effect ninety days after enactment of this Act. All other provisions of this Act shall take effect upon the date of its enactment."

And the Senate agree to the same.

TOM CONNALLY,
THEODORE FRANCIS GREEN,
BRIEN McMAHON,
RICHARD B. RUSSELL,
ALEXANDER WILEY,
H. ALEXANDER SMITH,
LEVERETT SALTONSTALL,

Managers on the Part of the Senate.

J. P. RICHARDS,
MIKE MANSFIELD,
THOMAS E. MORGAN,
JOHN M. VORYS,
FRANCES P. BOLTON,

Managers on the Part of the House.

SECURITY ORDER BY OFFICE OF PRICE STABILIZATION

Mr. FERGUSON. Mr. President, I am glad the Senator from Vermont [Mr. AIKEN] has read to the Senate the announcement of the security order by the Office of Price Stabilization, because I think that the newspapers, radio, Members of the Senate and of the House, and public officials generally felt that that was the way the President's order on the classification of official information was going to be used.

It may be said that this practice of suppressing information in the Executive department got its big start back in March of 1948. The Senator from Michigan was then chairman of the Senate Investigations subcommittee, and was investigating things that could be embarrassing to the administration. The subject of the investigation was the operation of the Government's loyalty program, revolving around the case of William Remington. As a footnote to the inquiry it may be recalled that its revelations prompted the first of the President's famous "red herring" statements. At about that time an Executive order was issued, placing certain files under the direct and exclusive jurisdiction of the President. On occasion the files were taken to the White House in order that they could not be subpoenaed. Witnesses were told they were not allowed to testify upon matters before the committee. In the course of our hearings, an admiral was able to tell the Senator from Michigan, off the record, the fact that because of an order by the President of the United States he was not permitted to testify.

Mr. LANGER. We will take that up at another time.

Mr. MAYBANK. I am not arguing with the Senator from North Dakota about that bill. I was only attempting to make it clear to the Senate, and give assurance so that the news agencies might correct an erroneous report, and might inform the public that when any bank fails in the United States, the depositors are insured up to \$10,000, which would certainly be paid without the necessity of a meeting by three directors of the FDIC.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

ENLARGEMENT OF EXISTING WATER SUPPLY FACILITIES FOR THE SAN DIEGO, CALIF., AREA

Mr. CONNALLY. Mr. President, I ask unanimous consent for the present consideration of the conference report on the mutual aid and assistance bill, House bill 5113.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from California.

Mr. KNOWLAND. Before the Senator does that, I have just talked with the Senator from Nevada. He says he does not need the hour or half hour suggested by the Senator from North Dakota, but that if he might have 10 minutes he could conclude his statement.

Mr. CONNALLY. I agreed to 5 minutes.

Mr. KNOWLAND. Ten minutes is all I ask for.

Mr. CONNALLY. I know, but someone else may ask for time.

Mr. KNOWLAND. No. The Senator from Nevada wants to complete his statement. I think the Senator from Wyoming has completed his statement. I have completed mine, and I would appreciate it very much.

Mr. CONNALLY. I am anxious to have the Senate consider the conference report on the mutual aid and assistance bill. With the understanding that the Senator from Nevada will not take more than 10 minutes, I am willing to yield; but if he takes more than that, I shall have to object.

Mr. KNOWLAND. I ask unanimous consent that the Senator from Nevada may be recognized for 10 minutes.

The PRESIDING OFFICER. Is there objection to the request?

Mr. SCHOEPEL. Reserving the right to object, we are trying to operate under some semblance of a 5-minute rule. I know the matter is important, but two measures have been placed at the foot of the calendar. I fully understand that the distinguished Senator from Texas, the chairman of the Foreign Relations Committee, has a conference report, which is privileged, but before we undertake to consider other matters, I suggest that perhaps we ought to go back to the regular order on the calendar, and complete the calendar call with respect to the two measures which have been placed for consideration at the foot of the calendar. If we can work out an agreement along that

line, I do not want to object, but I do not want to have the remainder of the calendar probably never reached until this evening, after another 2 or 3 hours.

The PRESIDING OFFICER. Is there objection?

Mr. CONNALLY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The question is on a unanimous-consent request by the Senator from California that the Senator from Nevada be recognized for 10 additional minutes on the pending amendment.

Mr. CONNALLY. Ten minutes, and no more.

The PRESIDING OFFICER. Of course the Senator from Texas is privileged at the expiration of that time, or at any time, in fact, to call up the conference report, it being a privileged matter. Is there objection? The Chair hears none. The Senator from Nevada is recognized for 10 minutes.

Mr. MALONE. Mr. President, I would say at this point that one of the troubles we are facing now is that when this treaty with Mexico was before the Senate, the distinguished senior Senator from Texas insisted that it had to be approved or there would be no more confidence on the part of any nation in the world, in the United States of America, because the President had signed this treaty giving Mexico twice as much water as she had ever used before out of the Colorado River Basin; it had been approved by the Secretary of State, therefore it must be approved immediately, or the United States would be discredited before the nations of the world.

The junior Senator from Nevada gets a little impatient with that kind of an argument. I shall not withdraw my objection to the bill until I have finished discussing it.

Mr. CONNALLY. Mr. President, then the Senator is breaking faith.

Mr. MALONE. I am not breaking faith and resent the implication.

I hope the Senator from Texas will listen to me. When the statement was made on the floor that we had to approve a treaty giving an additional three-quarters of a million acre-feet of water to Mexico in order to keep faith with all the other foreign nations, the Senate deliberately traded three-fourths of a million acre-feet of Colorado water to gain some other advantage.

Of course that meant nothing to the distinguished senior Senator from Texas, to give away the lower basin States water from the Colorado River, but it meant something to Nevada, and it still does.

Mr. President, do I have the floor?

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. MALONE. I did not agree to withhold my objection at the end of 10 minutes. I simply agreed to debate the issue.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MALONE. I am very happy to yield to the Senator from California.

Mr. KNOWLAND. The request for 10 minutes additional was made by the

Senator from California because of the vital need to my State and the to the national defense establishment. I am a member of the Armed Services Committee. The Senator from Texas extended a great courtesy, and I feel we are proceeding more or less out of order. I went to him and made a personal appeal, because I know how important the foreign-aid bill is. I had understood that if the Senator from Nevada had a chance to complete his arrangement he would not feel that it is necessary to object; but that is entirely within the power of the Senator, and if he decides to object, there is nothing I can do to prevent him from doing so. But I am hopeful that with the arguments which have been made he will not find it necessary to object.

Mr. MALONE. I should like very much to see this important bill come before the Senate to be voted upon. So far as the foreign aid bill being important is concerned, it will mean just another tax bill, and the European nations will be worse off at the end of the period for which the \$7,500,000,000 is appropriated than they are now. That is the history of such foreign aid—without any conditions attached.

Mr. President, I want to make this categorical statement. The Congress of the United States cannot bind a future Congress in the allocation of water in the Colorado River Basin, except through a compact by the States in the lower basin and by the approval of such treaty or compact by this body. In other words, it cannot change the upper division States' allocation or the division of such water between the Upper Basin States. Any act which might be passed here might contain reservations or conditions, but the next Congress or any future Congress can amend the bill or pass any kind of an act it cares to modifying it.

If we finance this additional aqueduct to take water into an area to which it is not entitled, the argument may be made later that it was for military purposes and therefor not chargeable to California. We know that California has already asserted that it is not bound to the 4,400,000 acre-feet provided for in the limitation. I am not arguing that question here. It is a technical matter.

The compact itself divides the water between the Upper and Lower Divisions. The Senate of the United States has approved the compact. The Upper Basin States then divided the water between themselves, and the Senate has approved such division. There has never been any compact to divide the waters of the Lower Basin States.

NEVADA'S WATER NEEDS

Mr. President, I have five bills pending in the Interior and Insular Affairs Committee which would irrigate 189,500 acres in southern Nevada from the Colorado River. At the moment Arizona uses or has under contract 2,800,000 acre-feet of water. Nevada has a contract for 300,000 and uses about 40 acre-feet a year, in addition to a small stream called the Muddy River which carries 24 second-feet of water.

I was State engineer when the compact was entered into and we had never been given any consideration up to that point, and so far no hearings have been held on the five bills now before the committee. They have been in the committee for several months. The chairman of the committee is very liberal in the disposal of lower basin water. There are five States in the lower basin, namely, Arizona, California, New Mexico, Nevada, and Utah. Until such States sign a compact dividing the water and it is approved by this body, there is no division.

Up until that action is taken any Congress may modify any act, whether it be in the Eighty-third, Eighty-fourth, or Eighty-fifth Congress, they can amend the legislation under the pretext that we have an investment in the military center and that such water does not come out of California's share in the lower basin.

Do not tell me that the Senate would not do that. A Senate that will give three-quarters of a million acre-feet of water annually to Mexico more than she has ever utilized may do anything. Tell me the Supreme Court would not approve. Mention something that the Supreme Court might not approve after you have looked over its prior decisions.

It is not a good precedent to finance a project in any State that requires more water than that which is allocated to it. That is what would be done under this bill. The State of Arizona wants a million acre-feet of water diverted above Hoover Dam, while the State of Nevada bordering the Colorado River is still as dry as the Sahara Desert.

With reference to the five bills which I have introduced, the maximum lift provided is 850 feet with a minimum of 25 feet. No dam would be required. It would involve only pumping plants, with only a fraction of the cost of the Arizona project.

Mr. President, the Arizona project is a billion-dollar project without interest. The only way in which it could be made feasible, if, in fact, it ever could be, would be to include the revenue from the major share of the power developed there.

Mr. President, I am not even objecting to that at this time. All I want is a fair division of the water so that Nevada may have her 900,000 acre-feet of water that the engineering committee which examined the records in 1935 said we could use.

The State engineer of California served on that committee, and the State engineer of Colorado served on it.

We are told that the water table in Arizona is receding. There is plenty of evidence that additional cotton and other acreage is a major reason for that condition.

In the city of Las Vegas the water table is receding faster than it is in central Arizona. It will not permanently care for the people who are there, to say nothing of the increased population.

Mr. President, in conclusion, I should like to ask permission to correct and complete my statement, closing with this

admonition, that it is, to me, unthinkable, that a United States Senator, chairman of a major committee, will rise on the floor and say we are binding California to 4,400,000 acre-feet of water by a congressional act, when he must know, having been a Senator of the United States longer than has the junior Senator from Nevada, that the Senate is not and cannot bind anyone.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5102) was read the third time and passed.

The title was amended so as to read: "A bill to authorize the Secretary of the Navy to enlarge existing water-supply facilities for the San Diego, Calif., area in order to insure the existence of an adequate water supply for naval installations and defense production plants in such area."

MUTUAL SECURITY ACT OF 1951— CONFERENCE REPORT

Mr. CONNALLY. Mr. President, I am glad to call up the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

(For conference report, see pp. 12494 to 12498, CONGRESSIONAL RECORD of September 27, 1951.)

Mr. CONNALLY. Mr. President, I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. Is there objection?

Mr. DWORSHAK. Reserving the right to object to consideration of this privileged conference report, Mr. President, and I shall not object, I merely wish to give notice that I shall make a point of order at the proper time to the consideration of the conference report as to its compliance with the Senate rules.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. DWORSHAK. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DWORSHAK. When will it be in order to make the point of order?

The PRESIDING OFFICER. The Chair will advise the Senator that the point of order can be raised at any time until the final adoption of the conference report.

The question is on agreeing to the report.

Mr. SALTONSTALL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Bennett	Hendrickson	Monroney
Benton	Hickenlooper	Mundt
Brewster	Hill	Murray
Bricker	Holland	Neely
Butler, Nebr.	Humphrey	O'Connor
Cain	Hunt	O'Mahoney
Carlson	Ives	Robertson
Case	Jenner	Russell
Clements	Johnson, Colo.	Saltonstall
Connally	Johnson, Tex.	Schoeppel
Cordon	Johnston, S. C.	Smathers
Dirksen	Kefauver	Smith, N. J.
Douglas	Kilgore	Smith, N. C.
Duff	Knowland	Sparkman
Dworshak	Langer	Stennis
Eastland	Magnuson	Taft
Eaton	Malone	Thye
Ellender	Martin	Underwood
Ferguson	Maybank	Watkins
Frear	McCarran	Welker
Fulbright	McClellan	Wiley
George	McFarland	Williams
Gillette	McKellar	Young
Green	McMahon	
Hayden	Millikin	

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGSEN], the Senator from North Carolina [Mr. HOEY], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Michigan [Mr. MOONEY], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

The Senator from New York [Mr. LEHMAN] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. Aiken] and the Senator from Maine [Mrs. SMITH] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], and the Senator from Missouri [Mr. KEM] are absent on official business.

The Senator from Maryland [Mr. BUTLER] and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness.

The Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Oregon [Mr. MORSE], the Senator from California [Mr. NIXON], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

Mr. MCCARRAN. Mr. President—
The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. SCHOEPPEL. Mr. President, will the Senator from Texas yield for a unanimous-consent request?

Mr. CONNALLY. Yes.
Mr. SCHOEPPEL. I ask unanimous consent that the two remaining bills on the calendar, namely, Calendars 703 and 710, be called up at the conclusion of the consideration of the conference report which the distinguished Senator from Texas is now presenting.

Mr. McFARLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McFARLAND. Has the call of the calendar been completed?

The PRESIDING OFFICER. The call of the calendar has been completed with the exception of the two bills which went to the foot of the calendar.

Mr. McFARLAND. If the call of the calendar has not been completed, any bills remaining on the calendar would automatically come up, would they not?

The PRESIDING OFFICER. The Senator from Arizona is correct.

Mr. SALTONSTALL. Mr. President, I rise to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SALTONSTALL. Carrying forward the parliamentary inquiry of the Senator from Arizona [Mr. McFARLAND], if the calendar call has not been completed, and the Senate recesses today before the calendar is taken up again, does the call of the calendar become the first order of business tomorrow, or does the unfinished business become the first order of business tomorrow?

The VICE PRESIDENT. The unfinished business would automatically be the order of business.

Mr. SALTONSTALL. I rise to make a parliamentary inquiry.

The VICE PRESIDENT. The bills passed to the foot of the calendar could be brought up tomorrow only by unanimous consent.

Mr. McFARLAND. Mr. President, I hope that the Senator from Texas will permit the calendar call to be completed.

Mr. CONNALLY. The Senator from Texas has been waiting for the Senate to complete the call of the calendar. This is an important matter which I am presenting to the Senate. The call of the calendar is relatively unimportant compared with the conference report.

The VICE PRESIDENT. The Chair would state that the conference report is a privileged matter, and it can be brought up at any time.

Mr. McFARLAND. Mr. President, I did not object to the unanimous-consent request of the Senator from Kansas [Mr. SCHOEPPPEL]. He made a unanimous-consent request, and there is no objection to it, so far as I am concerned.

Mr. SALTONSTALL. Mr. President, I rise to make a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SALTONSTALL. I should like to have the status of the unanimous-consent request of the Senator from Kansas cleared up. I am informed by the Senator from Arizona that the request was granted. I did not hear it granted. I do not believe it was granted. The request was to have the two bills come up as the first order of business after consideration of the conference report has been concluded.

The VICE PRESIDENT. The present occupant of the chair was not in the chair at the time the request was made. The present occupant of the chair is advised that the request was not granted.

Mr. McFARLAND. I did not object to it.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kansas [Mr. SCHOEPPPEL]? The Chair hears none, and the request is granted.

Mr. CONNALLY. Mr. President, the matter I present is the conference report between the two Houses on H. R. 5113, the Mutual Security Act of 1951.

All Senators know that the House passed a bill on mutual security; that it came to the Senate; and that the Senate considered it. In the course of its deliberations the Senate struck out all of the House bill and substituted an entirely new bill, with amendments and modifications.

This report is the result of nearly 2 weeks of daily meetings during which time the conferees satisfactorily ironed out the differences between the House version of the bill and the Senate amendment.

The Mutual Security Act, which I hope the Senate will approve in its final form, is an act which I am convinced will be of tremendous help to the free world in its efforts to maintain the peace. It will help because it will assist in strengthening the nations which now stand weak and virtually defenseless before a calculating Kremlin. It will help build strength and morale that the Russian leaders cannot understand. It will help build strength so that the United States will not need to continue forever the impossible task of carrying the free world on its shoulders.

The conferees on the part of the Senate were chosen from the Armed Services Committee and from the Committee on Foreign Relations. The Senate conferees were the Senator from Rhode Island [Mr. GREEN], the Senator from Connecticut [Mr. McMAHON], the Senator from Georgia [Mr. RUSSELL], the Senator from Virginia [Mr. BYRD], the Senator from Wisconsin [Mr. WILEY], the Senator from New Jersey [Mr. SMITH], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Massachusetts [Mr. SALTONSTALL] and myself. I wish to express my deep appreciation for the fine work they have done.

There are a few matters that I want to call to the attention of my colleagues before they act on this report.

AMOUNTS AUTHORIZED

First, with respect to the amounts authorized by this bill, I invite attention to the following over-all figures:

Total amount requested by the administration.....	\$8,500,000,000
Total amount authorized in the Senate bill.....	7,286,250,000

The total amount authorized in conference is \$7,483,400,000. It will be seen that the final report of the conference committee is over a billion dollars under the original request of the administration.

The conference committee has added \$197,150,000 to the amount authorized in the Senate bill. The figures in the Senate bill were below both the President's request and the figures in the House bill.

The Senate did most of the cutting in order to bring about a satisfactory bill.

The final figure is \$15,350,000 less than the amount authorized in the House bill. This new amount is a compromise upward for the Senate and slightly downward for the House. In no case do the separate sums authorized exceed the highest figure appearing in either the House passed bill or the Senate version.

ADMINISTRATION

While the Senate conferees went a considerable distance toward the House with respect to the foreign aid sums authorized by this bill, the House conferees accepted a number of the important administrative features that were contained in the Senate version of the bill.

The House accepted the important principle that the aid programs should be coordinated in the executive office of the President, and not at any lower level in the governmental hierarchy. The House also accepted the Senate language with respect to the powers that the Department of Defense must exercise in administering the military side of the proposed program. The House conferees likewise agreed to the principle that the Economic Cooperation Administration should end now, and not at some later date.

The administrative set-up that now is part of this bill calls for the termination of the Economic Cooperation Administration within 60 days after the enactment of this law. Until June 30, 1952, however, the powers of the ECA can continue to be exercised by the Mutual Security Agency, the new agency in the Executive Office of the President. As of June 30, 1952, however, section 503 of this act provides that the ECA powers as exercised by the new agency are to end except insofar as the President finds that some of those powers may be necessary to help the military effort and the mutual defense programs in certain other nations. Provision is made so that the appropriate committees of Congress may be informed not later than April 1 next year of the powers that the President thinks are necessary to be continued. If we think that the President is seeking to perpetuate unnecessary powers, the Congress will be able to act to terminate those powers.

MUTUAL SECURITY AGENCY

The new Mutual Security Agency in the Executive Office of the President will be headed by a Director who will be subject to Senate confirmation. This Director will have primary responsibility for the continuous supervision and general direction of foreign assistance programs, to be sure that they are effectively integrated both at home and abroad. He is to have no other responsibilities except those conferred on him by this act or otherwise conferred on him by law. This means that the President cannot appoint a man to fill this job and at the same time expect him to take on a lot of other responsibilities.

The Director, in addition to his responsibility for supervision of the aid programs, will be responsible for the administration of such economic assistance as is necessary between now and June 30, 1952. After January 1, 1952, however,

his administrative staff must have 10 percent fewer people than ECA had on August 31—section 504 (d). This is a start in the direction of cutting personnel to fit the size of the reduced economic program.

TRANSFERABILITY (SEC. 513)

Mr. President, Members of the Senate may recall that during debate on House bill 5113 we adopted by voice vote an amendment proposed by the junior Senator from Iowa [Mr. GILLETTE]. That amendment struck out a provision that would have permitted the President to transfer up to 10 percent of the sums authorized in any one title to any other title. The conference considered this matter most carefully, and concluded that in view of the uncertainties in the world of today, the Executive should have this discretion; and the Senate conferees therefore receded.

LOANS (SEC. 522)

The House version of this act required that not less than 20 percent of the economic funds should be extended in the form of loans, but that the administration should seek to extend as much economic assistance as possible on credit terms. The conference realized that the phrase "as much as possible" might be subject to various interpretations. For example, one person might say that anything is possible, and therefore that all economic aid should be in the form of loans, even though there might be no expectation that such loans would be repaid. Others might construe the word "possible" to mean "feasible" or "practicable." It was not the intent of the conferees to require the administration to make loans which cannot be repaid. The conference did not want the administration to forget that United States wealth is not limitless. Economic assistance should not be extended to any nation as a gift if in fact the nation could receive the help in the form of a sound, repayable loan.

CONCLUSION

In conclusion, Mr. President, I want to urge the Senate to accept this conference report. It was signed by all members of the conference who were in regular attendance at the conference meetings. Two of the Senate conferees, one Democrat and one Republican, were not able to participate in the conference and were not available to sign the report.

This bill is not what I would call an administration bill. There are few similarities between the bill we are acting upon and the one which the administration asked us to consider. The Congress has wrestled with, and understood, and acted upon the great problems involved in developing a program to give military and economic help to certain foreign nations, to the end that the strength and security of the United States will be increased.

I have said before that I would not support any program of giving military or economic help to any foreign nation unless I was convinced that such help was in the interests of the United States.

I believe it is in our interest to keep war away from our shores. This bill will help do that.

I believe it is in our interest to prevent free nations from falling before the

Communists, whether from internal or external attack. This bill will help prevent that. I hope we will approve it quickly.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. DWORSHAK. Mr. President, when the conference report was submitted by the distinguished chairman of the Committee on Foreign Relations I made the reservation that I would make a point of order. I shall proceed to do so at this time.

First, Mr. President, let me state that I am in complete agreement with the Senator from Texas that this is important legislation. I voted for the bill, which was almost unanimously approved by the Senate on August 31, as I recall the date.

However, I do not believe that any legislative proposal is so vital or so important or of such an emergency nature that it will justify a violation of the rules of the Senate.

Therefore, I make the point of order against section 101 (b) of the conference report on the basis that it violates rule 29 on page 289 of the Senate Manual, which provides that—

Conferees may not include in their report matters not committed to them by either House.

In support of my contention, Mr. President, I refer to House bill 5113, as passed by the House of Representatives, and I call attention to the fact that section 101 (b) of the bill as passed by the House is identical with section 101 (b) of the Senate version of the bill. Therefore, I submit that there was no justification for any revision or change whatsoever.

I call the attention of the Senate to the fact that in the conference report the conferees made a change in the figure "5" to the figure "10," so that the conference report provides, in section 101 (b), as follows:

(b) Not to exceed 10 percent of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purpose of this act, between appropriations granted pursuant to either paragraph of subsection (a).

In other words, the bill as passed by the Senate and the bill as passed by the House includes section 101 (b) which authorizes the President to transfer not in excess of 5 percent of the funds from the military aid provisions to economic aid or from economic aid to the military aid. I presume the conferees may contend that in another section of the bill under general provisions the conference report contains section 513, with the heading "Transferability between titles." That section reads:

Whenever the President determines it to be necessary for the purpose of this act, not to exceed 10 percent of the funds made available under any title of this act may be transferred to and consolidated with funds made available under any other title of this act in order to furnish, to a different area, assistance of the kind for which such funds were available before transfer.

I desire to point out the history of this particular section, Mr. President, calling attention to the fact that section 602 of the House bill contained that provision,

or a comparable provision, and that when this bill was before the Senate, the Senate committee had recommended adoption of section 508, to accomplish the same objective. However, the junior Senator from Iowa [Mr. GILLETTE], offered an amendment to delete section 508, and it was deleted, so that in the conference report it is obvious that section 513 represents an acceptance of the House version. But I call attention to the fact that when the Senate adopted the Gillette amendment it rejected the proposal to authorize transferability of 10 percent of the funds, and in that particular general provision the transferability was to be the transfer of economic aid from one area to economic aid in another area, or the transfer of military aid from one area to military aid in another area.

Therefore, I contend, Mr. President, that if the conferees sought to justify the substitution of the figure 10 for the figure 5, in section 101 (b), they were not justified, on the basis that section 101 (b) deals with transferability from one fund to another, and does not deal with transferability from one area to another. Therefore the conferees were not justified in using section 602 in the House bill and the comparable section 508 in the Senate bill, which was rejected. The conference report on section 513 has the figure 10 in the transferability authorization; but it deals with transfers from one area to another.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DWORSHAK. I yield.

Mr. FERGUSON. I understand it to be the contention of the Senator from Idaho that the Senate bill contained language identical with that of the House bill, but that the conferees have changed that language to provide that the amount which can be transferable from economic aid to military aid and from military aid to economic aid shall not be 5 percent, as it was in both bills, but 10 percent.

Mr. DWORSHAK. That is correct, and I submit it is a violation of the Senate rules.

Mr. FERGUSON. That is the point of order, is it?

Mr. DWORSHAK. That is the point of order.

Mr. FERGUSON. Will the Senator again explain section 513 of the conference report? As I understand it, that section allows economic aid to be transferred from one region to another, and also allows military aid to be transferred from one area or region to another.

Mr. DWORSHAK. That is correct.

Mr. FERGUSON. But it does not allow the interchange of military aid and economic aid, or economic aid and military aid, from one area to another?

Mr. DWORSHAK. That is correct; and with the substitution of the figure "10" for the figure "5," it is possible for the President to recommend a transfer of 10 percent of the military authorization, or the subsequent appropriation under section 101 (b), to economic aid under title 1, and then subsequently, under the conference report, the President might justify the transfer of \$500,000,000 of economic aid from one region

to another in complete defiance of the mandate of the Senate.

Mr. FERGUSON. Do I understand correctly that the 10 percent, changed as it is in section 101 (b) from 5 percent to 10 percent, makes available of \$1,524,800,000 for economic aid, whereas the Senate bill allowed an availability of only \$1,130,807,500?

Mr. DWORSHAK. The bills as they passed the Senate and House allow the transfer of only 5 percent of the total amount.

Mr. FERGUSON. Five percent of the amount appropriated for either military or economic aid could be transferred to the other?

Mr. DWORSHAK. Yes.

Mr. FERGUSON. And under that section the availability for economic aid now would be \$1,524,800,000, would it, which is almost what the President had originally requested even though the Senate had specifically authorized only \$880,500,000?

Mr. DWORSHAK. It would be the authorized amount plus a transfer of 10 percent, instead of 5 percent of the total amount authorized to be appropriated for military aid under title I, dealing with aid for Europe.

Mr. FERGUSON. Is the Senator familiar with Hinds' Precedents of the House of Representatives, on the subject of the authority of conference committees to change language which has been approved by both Houses and concerning which there is no disagreement?

Mr. DWORSHAK. No; I did not check the Precedents. I should be glad to have the Senator state what the precedent is.

Mr. FERGUSON. Chapter 135 of Hinds' Precedents, volume V, page 718, contains a section numbered 6407, from which I read the following matter as it appears in black type:

The managers of a conference may not in their report include subjects not within the disagreements submitted to them by the two Houses.

Turning to section 6417, on page 724, the matter printed in black type reads:

The managers of a conference must confine themselves to the differences committed to them.

Managers of a conference may not change the text to which both Houses have agreed.

From section 6420, appearing on page 729, the matter in black type reads:

The managers of a conference may not in their report change the text to which both Houses have agreed.

That is followed by a brief memorandum, which I read:

On March 2, 1907, Mr. James W. Wadsworth, of New York, presented the conference report on the agricultural appropriation bill, whereupon Mr. John J. Fitzgerald, of New York, rising to a point of order, said:

"Mr. Speaker, I wish to make the point of order against the conference report on the ground that the conferees have inserted on page 40 language in an item which was not in dispute between the two Houses. On page 40, line 24, the conferees have changed the text in the language agreed to by both Houses by inserting after the word 'forest,' the words 'in the District of Columbia or elsewhere.'"

The Speaker held:

"The gentleman from New York, Mr. Fitzgerald, makes the point of order that the conferees have exceeded their authority by changing the text to which both Houses have agreed by inserting, after the word 'forest,' the words 'in the District of Columbia or elsewhere.' And the report states that such is the case. * * * The Chair sustains the point of order."

On page 747, section 6433, the matter in black type reads:

The text to which both Houses have agreed may not be changed except by the consent of both Houses.

A provision changing the text to which both Houses have agreed has been appended to a conference report and agreed to by unanimous consent after action on the report.

In other words, unless both Houses unanimously agree to the change, no change can be made by the conferees in a text to which both Houses had previously agreed. Is that the understanding of the Senator from Idaho?

Mr. DWORSHAK. That is entirely correct, and that is the basis of my point of order, that the conferees exceeded their authority and violated the rules of the Senate when they changed the figure "5" to the figure "10" in section 101 (b) of the bill, because those two sections were identical in both House and Senate bills, and obviously the conferees were not empowered or authorized under the rules of the Senate or under the rules governing conference committees to make that change.

Mr. President, that is the basis upon which I submit my point of order.

Mr. RUSSELL. Mr. President, I have always strongly supported and completely believed in the provisions of the Senate rules which prohibited the insertion of new matter in a conference report. I respectfully submit that that question is not involved in the pending conference report even though the distinguished Senator from Idaho has sought to apply subsection 2 of rule XXVII to the report. We have before us a conference report which falls squarely within the provisions of subsection 3 of rule XXVII, which Senators will recall was adopted in 1946 and became effective on January 2, 1947.

I wish to read that provision of the rule:

In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House. They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

This conference report, Mr. President, falls under subsection 3 (a) of that rule. It involves a case in which the Senate struck out all after the enacting clause and wrote an entirely new bill. We completely changed the administration of the act. The conference report does not follow the administrative provisions which were contained in the House bill, nor was the Senate version of the administrative features of the program adopted. The language is a compromise between the Senate and the House.

Please bear that in mind, Mr. President. I think that is very significant in considering these relatively small changes in the language of the two bills.

Not only that, but there was in conference between the House and Senate matter that was really less important in the consideration of this section, namely, the amounts involved. The House version of the bill had different figures on military aid from those provided in the Senate version. The Senate version had a different figure for economic aid from that provided in the House version of the bill, and the figures brought back for those two purposes are not identical with either the House or the Senate figures.

So, Mr. President, I submit that having changed the figures in the bill from those which were adopted by either the House or the Senate, and having changed the administrative figures in the bill completely from those approved by either the House or the Senate, the conferees were wholly within their power in making this change or alteration in the measure going to the total meaning of the administrative features of the bill which were the vital and important matters submitted to the conferees to determine. It comes squarely under the rule, because it was stricken out and an entirely new bill was written.

No one can contend that this was not a germane modification of the points in disagreement. It relates to the amounts in disagreement upon which compromise figures were finally arrived at, and it relates to the administrative features of the bill which were altered completely from those contained in either bill.

Mr. President, would anyone say that the Senate conferees and the House conferees, when the bill was under consideration, would not have been empowered to omit this section from the bill. I think it would have been clearly within their power, because they were completely re-writing the bill from the standpoint of administration. Certainly, Mr. President, the if conferees had the power to omit this section from the bill—and I do not believe anyone would seriously challenge the power of the conferees to have omitted it when they re-wrote the administrative features—any time they changed amounts the jurisdiction of the conferees, so far as the point of order is concerned, extended to the transferability clause and the amount that could be transferred. I submit that in all seriousness, Mr. President.

Mr. SALTONSTALL. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. SALTONSTALL. What the Senator from Georgia is saying is that the word "matter" as used in the rule in this instance applies to two things, namely, to the total amounts involved, the percentage of transfer between agencies, and the administrative features. I invite the Senator's attention to the fact that there was discussed in conference the amount allowed for military purposes, and the amount of the Senate allowance was less than that of the House. The amount for economic assistance was less than the House amount and more than the Senate amount, and there was

a very considerable discussion as to whether the military objective could not be accomplished more quickly by economic aid, from production in Europe, rather than by military appropriations.

Therefore I submit to the Senator that what he is bringing forward is that the word "matter", when we apply it to this subject, becomes very important so far as the percentage of interchange is concerned, because of the differences in amount and the differences of opinion between the House and the Senate.

Mr. RUSSELL. The Senator is, of course, correct. Certainly the amounts in disagreement could have a very vital bearing upon the amounts which might be embraced within the transferability clause.

Mr. FERGUSON. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. FERGUSON. Does the Senator from Georgia contend that if the Senate strikes out all after the enacting clause and rewrites the bill with the change of one section, the entire subject matter and every word and every sentence in the bill are in conference?

Mr. RUSSELL. I think it is all in conference. I think the conference could proceed to eliminate sections in both bills if there were a bill in the nature of a substitute adopted.

Mr. FERGUSON. Does the Senator contend that if one paragraph or one amount is varied, every other section of the bill, even though they may be identical, is in conference?

Mr. RUSSELL. I have made no such statement as that. If the Senator wants to draw any analogy or get any comfort from that idea, he is certainly entitled to it. I am contending that this item is a part of the administrative features which were incidental to the amounts of the appropriations, and that when the amounts of the appropriations which were in disagreement affected the amount that might have been transferred, it was a germane modification of a subject in disagreement.

Of course, I do not think that conferees, when they rewrite a bill completely, are absolutely bound down to the last bit of verbiage which may arrive at the purpose of the conferees. The verbiage can always be polished up in conference, and it is done in almost all cases.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. FERGUSON. Is it true that section 101 (b) is identical in both the House and the Senate bills?

Mr. RUSSELL. I have not read them against each other. I cannot say that they are identical.

Mr. FERGUSON. The Senator from Michigan has been informed by the Senator from Idaho, in answer to his questions, that the sections are identical as they passed the respective Houses.

Mr. DWORSHAK. Mr. President, will the Senator yield at that point for a question?

Mr. RUSSELL. Yes.

Mr. DWORSHAK. I was going to ask the distinguished Senator from Georgia whether he contends that notwithstand-

ing the fact that section 101 (b) of the House bill was identical with section 101 (b) of the Senate bill, there was any disagreement as is required by this rule? The figure 5 was contained in both versions. Does the Senator from Georgia contend that that reflected disagreement on that specific point?

Mr. RUSSELL. Under the modification of the rule adopted in 1947, when all after the enacting clause is stricken out the entire bill is in conference, and it does not hold the conferees down to the last word. It says:

It shall be in order for the conferees to report a substitute on the same subject matter, but they may not include in the report matter not committed to them by either House. They may, however, include in their report in any such case matter which is a germane modification of subject in disagreement.

I submit, Mr. President, that this modification comes squarely within that rule.

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. RUSSELL. Yes.

Mr. FERGUSON. Is it not true that the last tax bill which was recently passed by the Senate was really a substitute bill?

Mr. RUSSELL. I do not recall.

Mr. FERGUSON. If it were, according to the Senator's reasoning, would that not put every item of the tax bill in conference, even though certain sections were numbered the same, many of the amounts were the same, and much of the language was the same?

Mr. RUSSELL. I do not know whether they are all numbered the same. I did not study the tax bill that closely.

Mr. FERGUSON. Section 101 (b) of the mutual security bill is numbered the same, as it passed both House and Senate.

Mr. RUSSELL. I have not checked against that, and I do not think the question as to whether it is numbered the same is at all pertinent.

Mr. DWORSHAK. Mr. President, will the Senator yield at that point for a question?

Mr. RUSSELL. Yes.

Mr. DWORSHAK. Then to justify that logic, the Senator from Georgia would contend that the conferees are authorized under the rules of the Senate to change figures and amounts and language over which there has been no disagreement between the two Houses?

Mr. RUSSELL. An amount of dollars, I think, occupies an entirely different status in a matter of this kind. I called that to the attention of the conferees; that where it came to the amount of the authorization, the final amount should be kept within the range of the sums that were voted by the House and by the Senate. But in an incidental matter of this kind, in my judgment, it comes squarely within the rule which was adopted in 1947, that conferees can make a germane modification of subjects in disagreement.

The VICE PRESIDENT. The Chair is ready to rule.

Mr. FERGUSON. Mr. President, I think this matter is of vital interest to the Senate of the United States. If what

has just been contended is true, it appears that from now on, when a substitute for the House language is inserted by the Senate, even though it carries identical provisions and even is in identical language, the whole bill is in conference, and the whole matter can be rewritten by the conference of both Houses. It appears to the Senator from Michigan that that is a new way to legislate.

Rule XXVII I think is clear, at least as I view it, that—

In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House.

To me this indicates clearly that if, notwithstanding the fact it is technically substitute language, there is identical language in both bills it cannot be changed for in that event there is no disagreement. The rule states:

But they may not include in the report matter not committed to them by either House.

That language automatically excludes a substitute in the sense of being entirely new matter not set out in either bill. Ordinarily that is what we mean by a substitute, rather than an amendment. But it is an amendment in the nature of a substitute with which we are concerned and therefore the last sentence—

They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

Meaning that in the substituted bill a germane modification of subjects in disagreement. But there must be disagreement. That is the important thing. When percentage figures are the same, and the total amount is altered, then to contend that the percentage figures can be changed, appears to mean that you can modify anything that goes into a substitute bill and it can be entirely rewritten. I do not understand that that has been the policy at all. From the sections I read from Hinds it would appear that that has not been the policy in relation to this important matter. It would place in the hands of a conference for change, matters that have been agreed to by both Houses and would otherwise become the law if approved by the President. I submit that such matters cannot be modified by a conference committee.

Here is what it would mean. After 96 Senators have agreed that the matter presented to them from the House is what they desire the law to be, the conferees of 4, 5, or 10 may go into conference and rewrite the entire bill. They could do so after 96 Senators have declared that that is not their intention at all to alter the matter approved by the House. I think it would be a dangerous precedent if we were to have a rule laid down that when a substitute is put into a bill passed by the House everything in the substitute can be rewritten by the conference. Such a precedent should not be set in view of

the language in section 3 of rule XXVII, on page 42—

But they may not include in the report matter not committed to them by either House.

We find in this particular case that sections 101 (b) of both House and Senate bills are identical. Even the percentage is identical—5 percent in both bills. There was never the slightest disagreement between the two houses over that percentage, although there was disagreement on the dollar amounts to which the percentage should apply. Now come the conferees, without any instruction whatsoever from either house, and change that agreed upon percentage.

The VICE PRESIDENT. The Chair appreciates the importance of this point of order and the ruling which he is required to make upon it. The Chair is familiar with the volumes that were prepared by the Honorable Asher C. Hinds, long parliamentarian of the House, and later a Member of the House, with whom he served for a number of years. They have not been as binding upon the Senate, as a rule, as they have been on the House.

In volume 5 of Hinds' Precedents will be found a precedent in which it is held practically that wherever either House strikes out the language of a bill of the other House and offers a complete substitute for it, the sky is almost the limit with reference to the jurisdiction of the conferees. And a former Vice President occupying this same chair once held that where there is a complete substitute on the part of the Senate to a House bill—to use his language, I think, the sky was the limit. The present occupant of the chair has never adhered strictly to that rule. The Chair does not believe that was quite an accurate statement.

Jefferson's Manual, referred to by the Senator from Idaho, was the result of a resolution back in 1880 authorizing the compilation of Jefferson's Manual on parliamentary law. The rules of Jefferson's Manual never have, strictly speaking, become a part of the rules of the Senate. Certainly if there were any conflict between Jefferson's Manual and the specific rules of the Senate, the rules of the Senate would prevail.

The rule adopted in 1947 as a part of the Reorganization Act, and made a part of the rules of the Senate, was in a sense intended to modify that part of Hinds' Precedents to which the Chair has referred, in which it was held that the conferees could practically write a new bill when the language of one House stricken out and the other House wrote an entirely new bill. There has always been wider liberality in both Houses relative to the conferees when a complete substitute for a bill was written, than is the case when either House amends a bill of the other House section by section. Therefore, the Presiding Officers in this body and those in the other body, in their interpretation of the rules and in passing upon points of order, have applied a more liberal doctrine in a case in which one House has stricken out the entire language of

the bill and has written a substitute bill.

In the present case the House wrote its bill. It sent it to the Senate, and the Senate wrote a complete substitute in the form of a Senate amendment, which meant that the Senate disagreed to the entire House bill. It wrote a substitute which went back to the House, and the House disagreed to the substitute, which in a parliamentary sense means that the House disagreed to the entire bill written by the Senate as a substitute. Therefore, both bills were in conference as a whole.

Admitting the identity of section 101 (b), to which reference has been made, in both bills, nevertheless, that section was a part of a complete bill of each House, which complete bills were in disagreement. Whether the conferees could have inserted any percentage if neither House had put it in its bill, the Chair is not required to pass upon at this time, but he has doubt about it. Both Houses did use a figure of 5 percent, based upon the amount of money carried in the appropriation. So the net result of a 5-percent limitation of authority in one bill would be different from the net result of a 5-percent authority to transfer funds in the other bill, or in the substitute.

Therefore, the Chair thinks that the conferees did not inject new matter. The matter was in conference, and the number of dollars capable of transfer would be determined by the percentage. In both bills it was different. Obviously the conference report on that subject is germane. It is not new matter. It is matter which is in both bills.

In view of the provision of subsection 3 of rule XXVII, the Chair thinks that the conferees acted within their authority, and, therefore, overrules the point of order.

Mr. FERGUSON. Mr. President, I appeal from the decision of the Chair.

The VICE PRESIDENT. The Senator from Michigan appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. CASE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CASE. Would it have been possible for the conferees to include in the bill an amount in dollars larger than either House had proposed?

The VICE PRESIDENT. That is not the precise question now before the Chair.

Mr. CASE. I recognize that it is not the precise question—

The VICE PRESIDENT. The Chair hesitates to pass upon a parliamentary question that is not before him.

Mr. CASE. It seems to me that the same principle is involved.

The VICE PRESIDENT. It might be used as a precedent in the future.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SALTONSTALL. The point of order having been appealed from, is there

any limit on debate on the question of appeal?

The VICE PRESIDENT. Debate is permitted. There is no rule which limits debate.

Mr. SALTONSTALL. I should like to ask the majority leader a question. I know that there are several Members on this side of the aisle who would like to study the bill overnight, at least. I believe, from statements made by other Members on this side of the aisle, that they wish to discuss the conference report at some length. Last week we sat through long sessions. Rather than start the discussion at this late hour, with the prospect that it would run well into the evening, requiring at least one more quorum call before the vote, and perhaps even one before discussing the question, I wonder if the majority leader would not consider putting this matter over for further discussion until tomorrow at 12 o'clock, when we shall all be fresher.

Mr. McFARLAND. Mr. President, I am anxious to dispose this evening of the nominations of members of the Renegotiation Board, pending before the Senate for confirmation. The Board is an important agency and its work should not be held up by delaying action on confirmation of its members. I understand, however, there may be considerable discussion of them, and under the circumstances we might let the conference report go over.

Would the Senator from Massachusetts be willing to enter into a unanimous consent agreement for a reasonable limitation of time on the debate on the adoption of the conference report tomorrow?

Mr. SALTONSTALL. Mr. President, I honestly think that the discussion of the conference report will come mostly on the question of appeal, and that there would be no great saving of time as between discussion on the appeal and discussion on the conference report itself.

Mr. McFARLAND. I am talking about a limitation on the appeal. I believe that an hour to a side would be ample to debate the question of the appeal.

Senators on both sides of the aisle are constantly asking me, "When are we going to get out of here?" Yet every time we attempt to dispose of pending matter expeditiously, some Senator wants to talk and talk.

All of us have seen many very important matters disposed of in an hour, and in much less than that. I think that everything that can be said on the appeal on the conference report could be said in an hour. I sincerely hope that the Senator will be willing to limit debate to at least 2 hours, 1 hour to a side.

Mr. SALTONSTALL. Mr. President, I hope the Senator will not press that request tonight. I know that there is some feeling against it at the present time. I hope the Senator will allow the Senate to take a recess. We have been here quite a while today. Perhaps we could discuss that question tomorrow.

Mr. McFARLAND. Very well. The Senator from Massachusetts is always very persuasive.

I hope Senators will remain in the Chamber so that we can dispose of the nominations to which I have just referred.

CONSTRUCTION OF PUBLIC AIRPORTS IN ALASKA

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1183) to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska," as amended, which were, on page 2, line 3, strike out "leased" and insert "leased,"; and on page 2, line 4, strike out "airports" and insert "airports,".

Mr. JOHNSON of Colorado. Mr. President, the only changes which the House made in this bill consist of the addition of two commas, to clarify the purposes of the bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Colorado. I yield.

Mr. SALTONSTALL. Was there any objection by any of the conferees, or was there a unanimous report?

Mr. JOHNSON of Colorado. This is not a conference report. These are amendments of the House to a Senate bill. So far as I know, there is no objection on the part of anyone. The House added only two commas, which did not change the language of the bill in any way. Perhaps it clarified it a little.

Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

SUBMERGED LANDS—STATE LEASES— NATIONAL LEASING ACT—SCRIP

Mr. MALONE. Mr. President, there have been pending in the Committee on Interior and Insular Affairs several bills purporting to return to the States the submerged lands off the coasts of California, Louisiana, and Texas.

A brief by the Attorney General points out that such submerged lands, even if included within the boundaries of such States, would not necessarily belong to the States, but under the Supreme Court decision would be simply additional public lands within the boundaries of such States; therefore, to give the lands to the States now would be the same as the State of Nevada leasing Government lands under the impression that the State owned them, and then to ask a transfer, through congressional act, of such lands to the State, to validate such leases. The Supreme Court decision did not change the status of such lands. It merely decided such status. In other words, the Supreme Court's decision, after a full hearing, was to the effect that the Government had paramount rights in such lands, which in other cases have been construed to be public lands; for example, the Alaska Indian case.

During the period and prior to any congressional act changing the status of such lands certain rights may have been acquired, first, under the National Oil and Gas Leasing Act, and, second, under certain scrip lands authorized by a series of congressional acts.

Mr. President, the Secretary of the Interior did on September 24 of this year enter into a stipulation with the Attorney General which in effect approves and validates the existing lease on the submerged lands off the coast of California for a period of approximately 1 year.

Mr. President, I ask unanimous consent under leave to extend my remarks to include at this point the stipulation just described.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

IN THE SUPREME COURT OF THE UNITED STATES,
OCTOBER TERM, 1951

STIPULATION

United States of America, plaintiff v. State of California (No. 6, original)

Whereas on July 26, 1947, the parties to this cause, through their respective counsel, entered into a stipulation which provided for the continuation of all operations within or upon tide and submerged lands lying along the coast of California, and in which the State of California agreed to segregate and hold in a special fund all rentals, royalties, and other payments received from such operations subsequent to June 23, 1947, for ultimate distribution pursuant to agreement of the parties or final judicial order or decree; and

Whereas by virtue of stipulations entered into by the parties thereto on July 28, 1948, and August 2, 1949, the stipulation of July 26, 1947, was extended and continued in effect until the expiration of 60 days subsequent to July 31, 1950; and

Whereas on August 21, 1950, the parties thereto again entered into a stipulation whereby the stipulation of July 26, 1947, as extended by the stipulations of July 28, 1948, and August 2, 1949, was revised in certain respects and, as so revised, was extended and continued in effect until October 1, 1951; and

Whereas in paragraph No. 7 of the stipulation of August 21, 1950, it is provided that the parties shall meet within 30 days after July 31, 1951, to consider the stipulation of July 26, 1947, as therein extended and revised, and the effect thereon of any further proceedings or determinations in this cause, and to determine whether the said stipulation as extended and revised, or a revision thereof, should be continued for a further period; and

Whereas the parties, through their respective counsel, have met for the purposes contemplated by said paragraph No. 7, and, as a result of such meeting, it is the opinion of the parties that the mutual interest of the parties and of the general public would best be served by a continuation of the stipulation of July 26, 1947, as extended and revised, for a further period, provided that it be revised as herein set forth: Now, therefore, it is stipulated and agreed by the parties, through their respective counsel, that—

1. The stipulation entered into by the parties to this cause on July 26, 1947, as extended by the stipulations of July 28, 1948, and August 2, 1949, and as revised and extended by the stipulation of August 21, 1950, and as hereinafter revised, providing for a continuation of operations within or upon tide and submerged lands lying along the coast of California, be and the same is hereby extended and continued in effect until October 1, 1952. The provisions of this paragraph are not intended to preclude other arrangements adopted prior to the expiration date of this stipulation by reason of an order of the Supreme Court or an act of Congress.

2. Paragraph No. 6 of the stipulation of July 26, 1947, is hereby amended, effective July 26, 1947, by adding the words "and overriding royalties paid pursuant to obligations created prior to June 23, 1947," immediately following the word "hereof" at the end of the third sentence in said paragraph.

3. Paragraph No. 4 of the stipulation of August 21, 1950, is hereby amended, effective October 1, 1951, by substituting the figure "\$14,000" for the figure "\$12,000" in the fourth sentence of said paragraph, this figure being the amount which the State Lands Commission of California is, by said sentence, authorized to expend per month from revenues in the special fund derived prior to October 1, 1950, from leases of tide and submerged lands to defray its expenses in administering the law respecting operations under such leases.

4. The parties hereto shall meet within 30 days after July 31, 1952, to consider the stipulation of July 26, 1947, as herein extended and revised, and the effect thereon of any further proceedings or determinations in this cause, and to determine whether the said stipulation as extended and revised, or a revision thereof, should be extended for a further period.

J. HOWARD McGRATH,
Attorney General of the United States.

Attorney General of California.

Recommended:

OSCAR L. CHAPMAN,
Secretary of the Interior of the
United States.

Dated this 24th day of September 1951.

Mr. MALONE. For this Congress to legalize such leases on what the Supreme Court says in effect are Government lands would be of far-reaching effect, probably more far-reaching than the committee or Members of the Congress at this time realize.

Therefore, I submit a resolution which I ask to have printed as part of my remarks in the RECORD and to have referred to the proper committee.

There being no objection, the resolution (S. Res. 217), submitted by Mr. MALONE, was received and referred to the Committee on Interior and Insular Affairs, as follows:

Whereas the Supreme Court has rendered a decision June 23, 1947, that the United States has paramount rights in the submerged lands off the California, Louisiana, and Texas coast lines; and

Whereas certain applications have been made to the Secretary of the Interior for leases upon these lands under the National Oil and Gas Leasing Act, and also certain lands have been filed upon through certain scrip authorized under prior successive congressional acts; and

Whereas the Secretary of the Interior did on September 24, 1951, join with the Attorney General in extending the stipulation for 1 year thus validating leases made by the States and certain organizations over that length of time including an amendment to a prior stipulation including the payment of overriding royalties paid pursuant to obligations created prior to June 23, 1947, the date of the Supreme Court decision on the submerged lands: Now, therefore, be it

Resolved, That the Senate of the United States through its proper committee investigate such applications under the National Oil and Gas Leasing Act and filings made under the scrip authorized by prior successive congressional acts and the effect of the stipulation by the Secretary of the Interior and the Attorney General approving

MUTUAL SECURITY ACT OF 1951

OCTOBER 2, 1951.—Ordered to be printed

Mr. RICHARDS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 5113]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That this Act may be cited as the "Mutual Security Act of 1951"*.

SEC. 2. The Congress declares it to be the purpose of this Act to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and the Act for International Development (22 U. S. C. 1557) shall hereafter be deemed to include this purpose.

TITLE I—EUROPE

SEC. 101. (a) In order to support the freedom of Europe through assistance which will further the carrying out of the plans for defense of

the North Atlantic area, while at the same time maintaining the economic stability of the countries of the area so that they may meet their responsibilities for defense, and to further encourage the economic unification and the political federation of Europe, there are hereby authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and accomplishing the policies and purpose of this Act—

(1) not to exceed \$5,028,000,000 for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this Act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States (any such determination to be reported forthwith to the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives), and not to exceed \$100,000,000 of such appropriation for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist dominated or Communist occupied areas of Germany and Austria, and any other countries absorbed by the Soviet Union either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance will contribute to the defense of the North Atlantic area and to the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph. Section 408 (c) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1579), is hereby repealed.

(2) not to exceed \$1,022,000,000 for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522) (including assistance to further European military production), for any country of Europe covered by paragraph (1) of this subsection and for any other country covered by section 103 (a) of the said Economic Cooperation Act of 1948, as amended. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph: Provided, That not to exceed \$10,000,000 of the funds made available pursuant to this paragraph may be utilized to effectuate the principles set forth in section 115 (e) of the Economic Cooperation Act of 1948, as amended.

(b) Not to exceed 10 per centum of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purpose of this Act, between

appropriations granted pursuant to either paragraph of subsection (a): *Provided, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: Provided further, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.*

TITLE II—NEAR EAST AND AFRICA

SEC. 201. *In order to further the purpose of this Act by continuing to provide military assistance to Greece, Turkey, and Iran, there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$396,250,000 for furnishing assistance to Greece and Turkey pursuant to the provisions of the Act of May 22, 1947, as amended (22 U. S. C. 1401-1410), and for furnishing assistance to Iran pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604). In addition, unexpended balances of appropriations heretofore made for assistance to Greece and Turkey, available for the fiscal year 1951, pursuant to the Act of May 22, 1947, as amended, and for assistance to Iran pursuant to the Mutual Defense Assistance Act of 1949, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.*

SEC. 202. *Whenever the President determines that such action is essential for the purpose of this Act, he may provide assistance, pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended, to any country of the Near East area (other than those covered by section 201) and may utilize not to exceed 10 per centum of the amount made available (excluding balances of prior appropriations continued available) pursuant to section 201 of this Act: Provided, That any such assistance may be furnished only upon determination by the President that (1) the strategic location of the recipient country makes it of direct importance to the defense of the Near East area, (2) such assistance is of critical importance to the defense of the free nations, and (3) the immediately increased ability of the recipient country to defend itself is important to the preservation of the peace and security of the area and to the security of the United States.*

SEC. 203. *In order to further the purpose of this Act in Africa and the Near East, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$160,000,000 for economic and technical assistance in Africa and the Near East in areas other than those covered by section 103 (a) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1502). Funds appropriated pursuant to this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557).*

SEC. 204. *Not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be contributed to the United Nations during the fiscal year 1952, for the purposes, and under the provisions, of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556): Provided, That, whenever the President shall determine that it would more effectively*

contribute to the purposes of the said United Nations Palestine Refugee Aid Act of 1950, he may allocate any part of such funds to any agency of the United States Government to be utilized in furtherance of the purposes of said Act and any amount so allocated shall be a part of the United States contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East and shall be so credited by said Agency.

SEC. 205. In order to assist in the relief of refugees coming into Israel, not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be utilized during the fiscal year 1952, under such terms and conditions as the President may prescribe, for specific refugee relief and resettlement projects in Israel.

TITLE III—ASIA AND PACIFIC

SEC. 301. In order to carry out in the general area of China (including the Republic of the Philippines and the Republic of Korea) the provisions of subsection (a) of section 303 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1604 (a)), there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$535,250,000. In addition, unexpended balances of appropriations heretofore made for carrying out the provisions of title III of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1602–1604), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed \$50,000,000 of funds appropriated pursuant to this section (excluding balances of appropriations continued available) may be accounted for as provided in subsection (a) of said section 303.

SEC. 302 (a) In order to further the purpose of this Act through the strengthening of the area covered in section 301 of this Act (but not including the Republic of Korea), there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$237,500,000 for economic and technical assistance in those portions of such area which the President deems to be not under Communist control. Funds appropriated pursuant to authority of this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501–1522), and of the Act for International Development (22 U. S. C. 1557). In addition, unexpended balances of funds heretofore made available for carrying out the purposes of the China Area Aid Act of 1950 (22 U. S. C. 1547), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

(b) The third proviso of section 202 of the China Area Aid Act of 1950 is amended by inserting "and of Korea" after "selected citizens of China" the first time it appears therein.

SEC. 303. (a) In order to provide for a United States contribution to the United Nations Korean Reconstruction Agency, established by the resolution of the General Assembly of the United Nations of December 1, 1950, there are hereby authorized to be appropriated to the President not to exceed \$45,000,000. In addition, unobligated balances of the appropriations heretofore made, and available during the fiscal year 1951, for assistance to Korea under authority of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1543, 1551, 1552), are

hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed 50 per centum of the total of the appropriations authorized by this section may, when determined by the President to be necessary for the purpose of this Act, be transferred to and consolidated with the appropriation authorized by paragraph 302 (a).

(b) The sums made available pursuant to subsection (a) may be contributed from time to time on behalf of the United States in such amounts as the President determines to be appropriate to support those functions of the United Nations Korean Reconstruction Agency which the military situation in Korea permits the Agency to undertake pursuant to arrangements between the Agency and the United Nations Unified Command. The aggregate amount which may be contributed on behalf of the United States pursuant to the preceding sentence shall be reduced by the value of goods and services made available to Korea by any department or agency of the United States for relief and economic assistance after the assumption of responsibility for relief and rehabilitation operations in Korea by the United Nations Korean Reconstruction Agency.

(c) The provisions of subsections 304 (a) and (b) of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556 (b)) are hereby made applicable with respect to Korean assistance furnished under this section.

(d) Unencumbered balances of sums heretofore or hereafter deposited in the special account established pursuant to paragraph (2) of article V of the agreement of December 10, 1948, between the United States of America and the Republic of Korea (62 Stat., part 3, 3788) shall be used in Korea for such purposes as the President determines to be consistent with United Nations programs for assistance to Korea and as may be agreed to between the Government of the United States and the Republic of Korea.

(e) The functions of the Administrator for Economic Cooperation under the provisions of section 3 of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1551), shall hereafter be performed by such departments or agencies of the Government as the President shall direct.

TITLE IV—AMERICAN REPUBLICS

SEC. 401. In order to further the purpose of this Act through the furnishing of military assistance to the other American Republics, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$38,150,000 for carrying out the purposes of this section under the provisions of the Mutual Defense Assistance Act of 1949, as amended: Provided, That such assistance may be furnished only in accordance with defense plans which are found by the President to require the recipient country to participate in missions important to the defense of the Western Hemisphere. Any such assistance shall be subject to agreements, as provided herein and as required by section 402 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1573), designed to assure that the assistance will be used to promote the defense of the Western Hemisphere; and after agreement by the Government of the United States and the country concerned with respect to such missions, military assistance hereunder shall be furnished only in accordance with such agreement.

SEC. 402. In order to further the purpose of this Act among the peoples of the American Republics through the furnishing of technical assistance,

there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$21,250,000 for assistance under the provisions of the Act for International Development (22 U. S. C. 1557) and of the Institute of Inter-American Affairs Act, as amended (22 U. S. C. 281).

TITLE V—ORGANIZATION AND GENERAL PROVISIONS

UNIFIED DIRECTION OF PROGRAM

SEC. 501. (a) In order that the programs of military, economic, and technical assistance authorized by this Act may be administered as parts of a unified program in accordance with the intent of Congress and to fix responsibility for the coordination and supervision of these programs in a single person, the President is authorized to appoint in the Executive Office of the President a Director for Mutual Security. The Director, on behalf of the President and subject to his direction, shall have primary responsibility for—

(1) continuous supervision and general direction of the assistance programs under this Act to the end that such programs shall be (A) effectively integrated both at home and abroad, and (B) administered so as to assure that the defensive strength of the free nations of the world shall be built as quickly as possible on the basis of continuous and effective self-help and mutual aid;

(2) preparation and presentation to the Congress of such programs of foreign military, economic, and technical assistance as may be required in the interest of the security of the United States;

(3) preparation for the President of the report to the Congress required by section 518 of this Act.

(b) Except as otherwise provided by this Act, the Director shall not hold any other office or employment under the United States and shall not have any other responsibilities except those directly related to the coordination, supervision, and direction, of the programs covered by this Act or otherwise conferred upon him by law.

(c) The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$22,500 per annum.

(d) For the purpose of carrying out the provisions of this section, the President is authorized to utilize the positions created in subsection 406 (e) of the Mutual Defense Assistance Act of 1949, as amended. No person may serve in any such position under this subsection while at the same time he is an officer or employee of any other department or agency of the Government.

(e) (1) The fourth paragraph of section 101 (a) of the National Security Act of 1947, as amended (50 U. S. C. 402 (a)), is amended by inserting after clause (4) the following:

“(5) the Director for Mutual Security;”
and by renumbering clauses (5) and (6) thereof as clauses (6) and (7), respectively.

(2) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (59 Stat. 512), is amended by striking out “Economic Cooperation Administration” and inserting in lieu thereof “Mutual Security Agency” and by striking out “Administrator for Economic Cooperation” and inserting in lieu thereof “Director for Mutual Security”.

(3) Paragraph (1) of section 3 (a) of the Export-Import Bank Act of 1945, as amended (12 U. S. C. 635a (a) (1)), is amended by inserting after the words "Secretary of State," where they appear in the first sentence thereof the words "the Director for Mutual Security," and by striking out the last sentence of such paragraph and inserting in lieu thereof the following: "To the extent he deems it advisable the Secretary of State or the Director for Mutual Security, as the case may be, may designate to act for him in the discharge of his duties as a member of the Board of Directors any officer of his Department or Agency who shall have been appointed by the President by and with the advice and consent of the Senate. The Director for Mutual Security shall not be considered to be a member of the Board of Directors for the purposes of the first sentence of paragraph (3) of this subsection or for the purposes of subsection (b)."

MUTUAL SECURITY AGENCY

SEC. 502. (a) The Economic Cooperation Administration and the offices of Administrator for Economic Cooperation, Deputy Administrator, United States Special Representative in Europe, and Deputy Special Representative are hereby abolished.

(b) To assist in carrying out the purpose of this Act—

(1) there is hereby established, with its principal office at the seat of the government, a Mutual Security Agency, hereinafter referred to as the Agency, which shall be headed by the Director for Mutual Security; and

(2) there shall be transferred to the Director the powers, functions, and responsibilities conferred upon the Administrator for Economic Cooperation by the Economic Cooperation Act of 1948, as amended, and by any other law, but no such powers, functions, and responsibilities shall be exercised after June 30, 1952, except as provided in subsection (c) of this section.

(c) Not later than April 1, 1952, the President shall inform the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives which of the powers, functions, and responsibilities transferred to the Director by subsection (b) (2) are found by the President to be necessary to enable the Director after June 30, 1952, to carry out the duties conferred upon him by section 503. The termination provisions of section 122 of the Economic Cooperation Act of 1948, as amended, shall come into effect on June 30, 1952, and none of the powers, functions, and responsibilities conferred by that Act shall be exercised after that date, except those powers, functions, and responsibilities found necessary to enable the Director to carry out the duties conferred on him by section 503 of this Act, which powers, functions, and responsibilities unless otherwise provided by law shall continue in effect until June 30, 1954.

ADDITIONAL DUTIES OF DIRECTOR FOR MUTUAL SECURITY

SEC. 503. After June 30, 1952, the Director, on behalf of the President and subject to his direction, shall, in consultation with the Secretaries of State and Defense, continue to have primary responsibility for—

(a) the development and administration of programs of assistance designed to sustain and increase military effort, including produc-

tion, construction, equipment and matériel in each country or in groups of countries which receive United States military assistance;

(b) the provision of such equipment, materials, commodities, services, financial, or other assistance as he finds to be necessary for carrying out mutual defense programs; and

(c) the provision of limited economic assistance to foreign nations for which the United States has responsibility as a result of participation in joint control arrangements when the President finds that the provision of such economic assistance is in the interest of the security of the United States.

APPOINTMENT AND TRANSFER OF PERSONNEL

SEC. 504. (a) To carry out the functions conferred by sections 502 and 503 of this Act, there shall be in the Agency a Deputy Director, a Special Representative in Europe, and a Deputy Special Representative in Europe, who shall be appointed by the President by and with the advice and consent of the Senate, and shall have status and receive compensation comparable to the equivalent positions under the Economic Cooperation Act of 1948, as amended.

(b) Any personnel of the Economic Cooperation Administration, upon the certification of the Director for Mutual Security and with the approval of the Director of the Bureau of the Budget that such personnel are necessary to carry out the functions of the Director for Mutual Security, and all records and property of such Administration which the Director of the Bureau of the Budget determines are used primarily in the administration of the powers and functions transferred to the Director for Mutual Security by this Act, shall be transferred to the Mutual Security Agency.

(c) Of the personnel transferred to or employed by the Mutual Security Agency, not to exceed fifty may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed fifteen may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$15,000 per annum. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(d) On and after January 1, 1952, the number of United States citizens employed by the Mutual Security Agency shall be at least 10 per centum less than the number employed by the Economic Cooperation Administration on August 31, 1951: Provided, That the Director for Mutual Security shall cause studies to be made from time to time for the purpose of determining whether further reductions in personnel are feasible and consistent with the accomplishment of the purposes of this Act.

THE SECRETARY OF STATE

SEC. 505. Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

THE SECRETARY OF DEFENSE

SEC. 506. (a) In the case of aid under this Act for military end items and related technical assistance and advice, the Secretary of Defense shall have primary responsibility and authority for—

(1) the determination of military end-item requirements;

- (2) the procurement of military equipment in a manner which permits its integration with service programs;
- (3) the supervision of end-item use by the recipient countries;
- (4) the supervision of the training of foreign military personnel; and
- (5) the movement and delivery of military end items.

(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense. The apportionment of funds between countries shall be determined by the President.

(c) Notwithstanding any other provision of law, during the fiscal year 1952 the Secretary of Defense may furnish (subject to reimbursement from funds appropriated pursuant to this Act) military assistance out of the materials of war whose production in the United States shall have been authorized for, and appropriated to, the Department of Defense: Provided, however, That nothing in this Act shall authorize the furnishing of military items under this subsection in excess of \$1,000,000,000 in value. For the purposes of this subsection (1) "value" shall be determined in accordance with section 402 (c) of the Mutual Defense Assistance Act of 1949, as amended, and (2) the term "materials of war" means those goods, commonly known as military items, which are required for the performance of their missions by armed forces of a nation, including weapons, military vehicles, ships of war under fifteen hundred tons, aircraft, military communications equipment, ammunition, maintenance parts and spares, and military hardware.

OVERSEAS COORDINATION

SEC. 507. The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

RELATIONSHIP TO TECHNICAL COOPERATION ADMINISTRATION AND INSTITUTE OF INTER-AMERICAN AFFAIRS

SEC. 508. Nothing in this Act shall be construed to modify the provisions of section 412 of the Act for International Development or the provisions of the Institute of Inter-American Affairs Act.

DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

SEC. 509. Whenever the President determines it to be consistent with and in furtherance of the purpose of this Act, the head of any Government agency is authorized to—

(a) detail or assign any officer or employee of his agency to any office or position to which no compensation is attached with any foreign government or foreign government agency: Provided, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government; and

(b) detail, assign, or otherwise make available to any international organization in which the United States participates, any officer or employee of his agency to serve with or as a member of the international staff of such organizations.

Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds made available to that agency out of funds authorized under this Act.

SECURITY CLEARANCE

SEC. 510. No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Director or the Secretary of State under this Act or the Act for International Development for a period to exceed three months unless (a) such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Director or the Secretary of State, as the case may be, and until the Director or the Secretary of State has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views; or (b) such individual has been investigated by a military intelligence agency and the Secretary of Defense has certified in writing that he believes such individual is loyal to the United States and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate, nor shall it apply in the case of any person already employed under programs covered by this Act who has been previously investigated in connection with such employment.

ELIGIBILITY FOR ASSISTANCE

SEC. 511. (a) No military, economic, or technical assistance authorized pursuant to this Act (other than assistance provided under section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the President finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to—

(1) join in promoting international understanding and good will, and maintaining world peace;

(2) take such action as may be mutually agreed upon to eliminate causes of international tension;

(3) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

(5) take all reasonable measures which may be needed to develop its defense capacities; and

(6) take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

(b) No economic or technical assistance shall be supplied to any other nation unless the President finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and in maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

FUTURE AUTHORIZATIONS

SEC. 512. In order to carry out the purpose of this Act, with respect to those countries eligible to receive assistance as provided herein, funds shall be available as authorized and appropriated to the President each fiscal year.

TRANSFERABILITY BETWEEN TITLES

SEC. 513. Whenever the President determines it to be necessary for the purpose of this Act, not to exceed 10 per centum of the funds made available under any title of this Act may be transferred to and consolidated with funds made available under any other title of this Act in order to furnish, to a different area, assistance of the kind for which such funds were available before transfer. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives. In the case of the transfer of funds available for military purposes, he shall also forthwith notify the Committees on Armed Services of the Senate and House of Representatives.

STRATEGIC MATERIALS

SEC. 514. In order to promote the increased production, in areas covered by this Act, of materials in which the United States is deficient, not to exceed \$55,000,000 of the funds authorized to be appropriated pursuant to section 101 (a) (2) of this Act may be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

PROTECTION AGAINST ATTACHMENT

SEC. 515. All countries participating in any United States aid program or in any international organization receiving United States aid shall be required to so deposit, segregate, or assure title to all funds allocated to or derived from any program so that the same shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when in the opinion of the Director any such action would interfere with the attainment of the objectives of this Act.

ENCOURAGEMENT OF FREE ENTERPRISE

SEC. 516. It is hereby declared to be the policy of the Congress that this Act shall be administered in such a way as (1) to eliminate the barriers to, and provide the incentives for, a steadily increased participation of free private enterprise in developing the resources of foreign countries consistent with the policies of this Act, (2) to the extent that it is feasible and does

not interfere with the achievement of the purposes set forth in this Act, to discourage the cartel and monopolistic business practices prevailing in certain countries receiving aid under this Act which result in restricting production and increasing prices, and to encourage where suitable competition and productivity, and (3) to encourage where suitable the development and strengthening of the free labor union movements as the collective bargaining agencies of labor within such countries.

PATENTS AND TECHNICAL INFORMATION

SEC. 517. (a) As used in this section—

(1) the term "invention" means an invention or discovery covered by a patent issued by the United States, and

(2) the term "information" means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purpose of this Act—

(1) use within the United States, without authorization by the owner, shall be made of an invention, or

(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

(c) Before such suit against the United States has been instituted, the head of the appropriate department or agency of the Government, which has furnished any assistance in furtherance of the purpose of this Act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

(d) The provisions of the last sentence of section 1498 of Title 28 of the United States Code shall apply to inventions and information covered by this section.

(e) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the six years, unless suit is brought before the last-mentioned date.

REPORTS

SEC. 518. The President, from time to time while funds appropriated for the purpose of this Act continue to be available for obligation, shall transmit to the Congress, in lieu of any reports otherwise required by laws

continued in effect by this Act, reports covering each six months of operations in furtherance of the purpose of this Act, except information the disclosure of which he deems incompatible with the security of the United States. The first such report shall cover the six-month period commencing on the date this Act becomes effective. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

LOCAL CURRENCY

SEC. 519. (a) Upon a determination by the Director that it will further the purpose of this Act, not to exceed \$10,000,000 of the funds made available pursuant to section 203 of this Act and not to exceed \$25,000,000 of funds made available pursuant to section 302 of this Act may be advanced to countries covered by said sections in return for equivalent amounts of the currency of such countries being made available to meet local currency needs of the aid programs in such countries pursuant to agreements made in advance with the United States: Provided, That except when otherwise prescribed by the Director as necessary to the effective accomplishment of the aid programs in such countries, all funds so advanced shall be held under procedures set out in such agreements until used to pay for goods and services approved by the United States or until repaid to the United States for reimbursement to the appropriation from which drawn.

(b) In order to assist in carrying out the provisions of the Economic Cooperation Act of 1948, as amended, not to exceed \$50,000,000 of funds made available under the authority of this Act for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), may be used to acquire local currency for the purpose of increasing the production of materials in which the United States is deficient.

GUARANTIES

SEC. 520. Funds realized from the sales of notes pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be available for making guaranties of investments in accordance with the applicable provisions of sections 111 (b) (3) and 111 (c) (2) of the Economic Cooperation Act, as amended, in any area in which assistance is authorized by this Act.

ADMINISTRATIVE EXPENSES

SEC. 521. Funds made available for carrying out the provisions of title I of this Act shall be available for United States participation in the acquisition or construction of facilities in foreign countries for collective defense: Provided, That no part of such funds shall be expended for rental or purchase of land or for payment of taxes. Such funds shall also be available for the administrative expenses of carrying out the purposes of all of the titles of this Act, including expenses incident to United States participation in international security organizations and expenses in the United States in connection with programs authorized under the Act for International Development. Any currency of any nation received by the

United States for its own use in connection with assistance furnished by the United States may be used by any agency of the Government without reimbursement from any appropriation for the administrative and operating expenses of carrying out the purpose of this Act. Funds made available for carrying out the purpose of this Act in the Federal Republic of Germany may, as authorized in subsection 114 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1512 (h)), be transferred by the President to any department or agency for the expenses necessary to meet the responsibilities and obligations of the United States in the Federal Republic of Germany.

LOANS

SEC. 522. Section 111 (c) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), is hereby amended by adding a new paragraph as follows:

“(3) Of the assistance provided under the applicable provisions of this Act with funds made available under the authority of the Mutual Security Act of 1951, as great an amount (in no event less than 10 per centum) as possible shall be provided on credit terms.”

USE OF COUNTERPART

SEC. 523. Section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (b) (6)), is hereby amended by—

(a) inserting in the second proviso thereof after “wealth” the following: “for the encouragement of emigration pursuant to subsection (e) of this section”;

(b) adding in the last clause of the second proviso “and operating” after “administrative”;

(c) striking from the last clause of the second proviso “within such country”;

(d) substituting in the fourth proviso the words “upon termination of assistance to such country under this Act” in place of the words “on June 30, 1952”; and

(e) adding at the end thereof the following new sentences: “The Administrator shall exercise the power granted to him by this paragraph to make agreements with respect to the use of the funds deposited in the special accounts of ‘participating countries’ (as defined in section 103 (a) hereof) and any other countries receiving assistance under the Mutual Defense Assistance Act of 1949, as amended, in such a manner that the equivalent of not less than \$500,000,000 of such funds shall be used exclusively for military production, construction, equipment, and matériel in such countries. The amount to be devoted from each such special account for such use shall be agreed upon by the Administrator and the country or countries concerned.”.

RETURN OF EQUIPMENT

SEC. 524. The President shall make appropriate arrangements with each nation receiving equipment or material under the Mutual Defense Assistance Act of 1949, as amended (other than equipment or material furnished under terms requiring the nation to reimburse the United States in full therefor), for the return to the United States (1) for salvage or

scrap, or (2) for such other disposition as the President shall deem to be in the interest of mutual security, of any of such equipment or material as is no longer required for the purposes for which originally made available.

REIMBURSABLE AID

SEC. 525. Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1580), is hereby amended by adding in the first proviso thereof, after the words "of which it is a part", the words "or in United Nations collective security arrangements and measures", and by changing the figure at the end of such section 408 (e) to "\$500,000,000".

EXCESS EQUIPMENT

SEC. 526. The proviso in the first sentence of section 403 (d) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1574 (d)), is hereby amended to read as follows: "Provided, That after June 30, 1950, such limitation shall be increased by \$250,000,000 and after June 30, 1951, by an additional \$300,000,000".

CONGRESSIONAL COMMITTEE EXPENSES

SEC. 527. Section 115 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (h)) is amended by inserting before the period at the end thereof a comma and the following: "including local currency requirements of appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946".

UNITED NATIONS TECHNICAL ASSISTANCE

SEC. 528. The Act for International Development is amended—

(a) By adding before the period at the end of section 404 (b) the following: "Provided, That for the fiscal year ending June 30, 1952, such contributions from funds made available under authority of sections 101 (a) (2), 203, 302, and 402 of the Mutual Security Act of 1951 shall not exceed in the aggregate \$13,000,000, and the use of such contributions shall not be limited to the area covered by the section of the Act from which the funds are drawn".

(b) By adding at the end of section 407 a new paragraph:

"(d) Participating countries shall be encouraged to establish fair labor standards of wages and working conditions and management-labor relations."

(c) By repealing section 414.

TERMINATION OF ASSISTANCE BY PRESIDENT

SEC. 529. If the President determines that the furnishing of assistance to any nation—

(a) is no longer consistent with the national interest or security of the United States or the policies and purpose of this Act; or

(b) would contravene a decision of the Security Council of the United Nations; or

(c) would be inconsistent with the principle that members of the United Nations should refrain from giving assistance to any nation against which the Security Council or the General Assembly has

recommended measures in case of a threat to, or breach of, the peace, or act of aggression, he shall terminate all or part of any assistance furnished pursuant to this Act. The function conferred herein shall be in addition to all other functions heretofore conferred with respect to the termination of military, economic, or technical assistance.

EXPIRATION OF PROGRAM

SEC. 530. (a) *After June 30, 1954, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, none of the authority conferred by this Act or by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604) may be exercised; except that during the twelve months following such date equipment, materials, commodities, and services with respect to which procurement for, shipment to, or delivery in a recipient country had been authorized prior to such date, may be transferred to such country, and funds appropriated under authority of this Act may be obligated during such twelve-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer and shall remain available during such period for the necessary expenses of liquidating operations under this Act.*

(b) *At such time as the President shall find appropriate after such date, and prior to the expiration of the twelve months following such date, the powers, duties, and authority conferred by this Act and by the Mutual Defense Assistance Act of 1949, as amended, may be transferred for the purpose of liquidation to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, property and personnel may be transferred to the departments, agencies, or establishments to which the related functions are transferred.*

EFFECTIVE DATE

SEC. 531. *Sections 502 (a), (b) (2), and section 504 (b) of this Act shall take effect on such date or dates as the President shall specify, but in no event later than sixty days after the date the Director first appointed takes office. Section 511 shall take effect ninety days after enactment of this Act. All other provisions of this Act shall take effect upon the date of its enactment.*

And the Senate agree to the same.

J. P. RICHARDS,
MIKE MANSFIELD,
THOMAS E. MORGAN,
JOHN M. VORYS,
FRANCES P. BOLTON,
Managers on the Part of the House.

TOM CONNALLY,
THEODORE FRANCIS GREEN,
BRIEN McMAHON,
RICHARD B. RUSSELL,
ALEXANDER WILEY,
H. ALEXANDER SMITH,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and necessary conforming changes, the differences are noted below:

THE FUND AUTHORIZATIONS

(a) Totals

The total amount authorized in the House bill was \$7,498,750,000. The amount authorized by the Senate amendment was \$7,286,250,000, or a total of \$212,500,000 less.

The committee of conference has agreed on a total of \$7,483,400,000. This amount is \$15,350,000 less than the total authorized by the House, \$197,150,000 more than the total authorized by the Senate, and \$1,016,600,000 or 11.96 percent less than the \$8,500,000,000 requested by the President.

The agreement provides for all titles a total of \$5,997,650,000 for military assistance and a total of \$1,485,750,000 for economic assistance. In totals, the military assistance funds are \$15,350,000 less than the total in the House bill, and the economic assistance funds are the same as the amounts approved by the House.

The distribution between titles represents the adjustment made by the committee of conference. In no case does any authorization in the conference agreement exceed a figure authorized by either the House bill or the Senate amendment.

Generally speaking, the agreement restored funds for Europe and Asia, leaving the amounts for the Near East and the American Republics the same as those approved by the Senate. In the opinion of the committee of conference, Europe and Asia are the areas where the present need for assistance is most urgent.

(b) Title I—Europe (sec. 101)

The amounts agreed upon are \$5,028,000,000 for military assistance and \$1,022,000,000 for economic assistance.

The amount of military assistance funds is the amount authorized by the House and \$21,650,000 more than the Senate amount.

The amount authorized for economic assistance is \$18,000,000 less than the House amount when calculated on the base comparable to that on which the Senate amount is calculated. The amount agreed upon is \$141,500,000 more than the Senate amount.

At first glance, the agreed amount appears to be more than that authorized by the House. The apparent discrepancy is in the different base used for calculation by House and Senate. The Senate amount was \$880,500,000, including the \$55,000,000 for strategic materials. On this basis, the House amount would be \$1,040,000,000, consisting of \$985,000,000 for Europe and \$55,000,000 for strategic-material development contained in a separate authorization in title VI of the House bill. Since the conference agreement provided that funds for strategic materials are to come from title I funds, the amount agreed upon is calculated in relation to comparable House and Senate figures. On this basis, the agreed amount is actually \$18,000,000 less than the comparable House amount.

The committee of conference was fully convinced that the threat in Europe, and the necessity for all possible speed and utmost effort to get the European economies converted to military production, gave this area special emphasis in any agreement on funds. In view of General Eisenhower's message to Chairman James P. Richards emphasizing this point, and the urgency of getting European production to the point where United States end-item assistance can be reduced, the committee of conference felt justified in authorizing funds for Europe at the expense of some other areas.

Title II—Near East and Africa (secs. 201 and 203)

The amounts agreed upon are \$396,250,000 for military assistance and \$160,000,000 for economic assistance. These are the amounts approved by the Senate. The military funds are \$18,750,000 less than the House amount; and the economic funds are \$15,000,000 less. The authorizations to use \$50,000,000 for Palestine refugees and \$50,000,000 for Israel refugees have not been changed.

Title III—Asia and Pacific (secs. 301–303)

The amounts agreed upon are \$535,250,000 for military assistance, and \$282,500,000 for economic assistance. The economic assistance funds consist of \$237,500,000 for general economic assistance and \$45,000,000 for Korean rehabilitation work.

The \$535,250,000 for military assistance is the amount the Senate approved, and is \$5,250,000 more than the House-approved amount. The committee of conference felt that the critical situation in Indo-China and other areas of Asia made the higher amount necessary.

The \$237,500,000 for general economic assistance is the amount approved by the House.

The \$45,000,000 for Korean rehabilitation represents a compromise between the token amount of \$11,250,000 voted by the House and \$69,750,000 voted by the Senate. The committee of conference agreed that although Korean rehabilitation cannot proceed at once, the amount available should be sufficient to enable planning and financial operations to go forward.

It is recognized, however, that the requirements for Korean rehabilitation cannot at this time be fixed with any precision. Undoubtedly, the United States will be called upon in the future to assist in this matter. The amount agreed upon does not foreclose further requests; neither is it an assurance that this country will in the future shoulder the major burden of resolving this problem.

The conference agreement contains a provision permitting the transfer of up to 50 percent (\$22,500,000) of the funds for Korea to

general economic and technical assistance in those parts of the region not under Communist control. The importance of strengthening the region against the encroachment of Communist aggression on many fronts made this provision desirable.

Title IV—American Republics (secs. 401-402)

The amounts agreed upon are \$38,150,000 for military assistance and \$21,250,000 for economic assistance. These are the Senate-approved amounts, a total of \$2,600,000 less than the amount approved by the House.

The following tables show the breakdown of the agreed amounts:

TABLE I.—*Authorizations, by title*

Title I—Europe:		Title III—Asia and Pacific—Con.	
Military.....	\$5,028,000,000	Economic:	
Economic.....	1,022,000,000	All but Korea.....	\$237,500,000
Total.....	6,050,000,000	Korea.....	45,000,000
Title II—Near East and Africa:		Subtotal (economic).....	282,500,000
Military.....	396,250,000	Total.....	817,750,000
Economic.....	160,000,000	Title IV—American Republics:	
Total.....	556,250,000	Military.....	38,150,000
Title III—Asia and Pacific:		Economic.....	21,250,000
Military.....	535,250,000	Total.....	59,400,000
		Grand total.....	7,483,400,000

TABLE II.—*Authorizations, by type*

	Military	Economic	Total
Title I.....	\$5,028,000,000	\$1,022,000,000	\$6,050,000,000
Title II.....	396,250,000	160,000,000	556,250,000
Title III.....	535,250,000	282,500,000	817,750,000
Title IV.....	38,150,000	21,250,000	59,400,000
Total.....	5,997,650,000	1,485,750,000	7,483,400,000

TABLE III.—*Authorizations, by comparisons*

Item	President's request	House amounts	Senate amounts	Conference agreement	Conference agreement differences					
					More or less than request		More or less than House bill		More or less than Senate amendment	
					Amount	Percent	Amount	Percent	Amount	Percent
Title I—Europe: Military..... Economic..... Total.....	\$5,293,000,000	\$5,028,000,000	\$5,006,350,000	\$5,028,000,000	\$265,000,000 less	5.00 less	None	-----	\$21,650,000 more	0.43 more
	1,675,000,000	1,040,000,000	1,880,500,000	1,022,000,000	653,000,000 less	38.98 less	\$18,000,000 less	1.73 less	141,500,000 more	16.07 more
	6,968,000,000	6,068,000,000	5,886,850,000	6,050,000,000	918,000,000 less	13.17 less	18,000,000 less	.25 less	163,150,000 more	2.77 more
Title II—Near East and Africa: Military..... Economic..... Total.....	415,000,000	415,000,000	396,250,000	396,250,000	18,750,000 less	4.51 less	18,750,000 less	4.51 less	None	-----
	125,000,000	175,000,000	160,000,000	160,000,000	35,000,000 more	28.00 more	15,000,000 less	8.57 less	None	-----
	540,000,000	590,000,000	556,250,000	556,250,000	16,250,000 more	3.00 more	33,750,000 less	5.72 less	None	-----
Title III—Asia and Pacific: Military..... Economic: All but Korea..... Korea..... Subtotal (economic)..... Total.....	555,000,000	530,000,000	535,250,000	535,250,000	19,750,000 less	3.55 less	5,250,000 more	.99 more	None	-----
	262,500,000	237,500,000	178,750,000	237,500,000	25,000,000 less	9.52 less	None	-----	58,750,000 more	32.86 more
	112,500,000	11,250,000	69,750,000	45,000,000	67,500,000 less	60.00 less	33,750,000 more	300.00 more	24,750,000 less	35.48 less
Title IV. American Republics: Military..... Economic..... Total..... Grand total.....	375,000,000	248,750,000	248,500,000	282,500,000	92,500,000 less	24.66 less	33,750,000 more	13.56 more	34,000,000 more	13.68 more
	930,000,000	778,750,000	783,750,000	817,750,000	112,500,000 less	12.06 less	39,000,000 more	5.00 more	34,000,000 more	4.33 more
	40,000,000	40,000,000	38,150,000	38,150,000	1,850,000 less	4.62 less	1,850,000 less	4.62 less	None	-----
	22,000,000	22,000,000	21,250,000	21,250,000	750,000 less	3.40 less	750,000 less	3.40 less	None	-----
	62,000,000	62,000,000	59,400,000	59,400,000	2,600,000 less	4.19 less	2,600,000 less	4.19 less	None	-----
	8,500,000,000	7,498,750,000	7,286,250,000	7,483,400,000	1,016,600,000 less	11.96 less	15,350,000 less	0.20 less	197,150,000 more	2.70 more

1 Includes authorizations for strategic material development.

Transfer of funds under title I (sec. 101 (a) (1)).—The conference agreement repeals section 408 (c) of the Mutual Defense Assistance Act, as amended. That section permitted the President to transfer not more than 10 percent of funds made available under that act to a non-NATO country when certain conditions are met—

(1) "A development seriously affecting the security of the North Atlantic Treaty area for the purpose of providing military assistance to any other European nation whose strategic location makes it of direct importance to the defense" of this area;

(2) The President finds, after consultation with the other North Atlantic parties, that the immediately increased ability of that nation to defend itself "contributes to the preservation of the peace and security of the North Atlantic area"; and

(3) That such action "is vital to the security of the United States."

The language of section 101 (a) (1) changes the conditions of assistance to non-NATO countries in Europe. Consultation with other NATO members is not required and the criteria of our aid is whether the country is "important" to the security of the United States rather than "vital." This makes the language of section 408 (c) unnecessary.

Notification to legislative committees (sec. 101 (a) (1)).—The inclusion of this language assures notification of the appropriate legislative committees whenever the President uses funds authorized under this section for military assistance to a European country not a party to the North Atlantic Treaty.

Emigration of surplus manpower (sec. 101 (a) (2)).—The House bill (proviso to sec. 101 (a) (2)) set a ceiling of \$30,000,000 to be utilized for the emigration of surplus manpower. The Senate amendment set the amount at \$10,000,000. The conference agreement follows the Senate version. The committee of conference wishes to make clear its intent that none of the funds made available pursuant to the proviso should be allocated to any international organization which has in its membership any Communist, Communist-dominated or Communist-controlled country, to any subsidiary thereof or to any agency created by or stemming from such organization. It is vital to the security of the United States and to the success of the surplus manpower emigration program that no international body with Communist influence receive any United States assistance for the purpose of such program. It is the expectation of the committee of conference that steps will be taken as quickly as possible to get the program moving and that the funds made available will be used.

Transfer of funds within title I (Europe) (sec. 101 (b)).—The committee of conference agreed to change from 5 to 10 percent the amount of the appropriations in title I that may be transferred between economic and military sums in that title. In view of the reductions in amounts and of the uncertain international situation, this increased flexibility was deemed desirable. It will permit greater leeway in making the most effective use of the money authorized under this section.

Contributions to United Nations for Palestine refugee work (sec. 204).—Both the House bill and the Senate amendment contained the principle that any contribution made directly by an agency of the United States Government to further the purposes of the United Nations Palestine

Refugee Aid Act of 1950 can only be made if the United Nations credits such contribution as part of the United States contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

The difference between the House bill and the Senate amendment on this point was one of method and not of principle. The conference agreement clarifies the point and makes clear that the United States is not required to obtain United Nations approval in advance before making such a direct contribution.

Transfer of functions under Far Eastern Economic Assistance Act (sec. 303 (e)).—The Senate amendment provided that the functions of the Administrator for Economic Cooperation under section 3 of the Far Eastern Economic Assistance Act, as amended, be performed by such agencies as the President directs. The House bill contained no such provision. The conference agreement follows the Senate language, which accords with the facts of the situation. Soon after hostilities in Korea began, ECA operations were terminated. The responsibility for the recovery program for Korea has now been given to the United Nations, and ECA operations will not be resumed.

Such functions and funds as remain are now being administered by the Army. No purpose is served by retaining them in the Economic Cooperation Administration.

TITLE V—ORGANIZATION AND GENERAL PROVISIONS

The House bill and the Senate amendment made divergent provisions for the organization of the Mutual Security Program and the provision to be made for carrying on the economic support for military production in foreign nations beyond the termination of the Economic Cooperation Administration on June 30, 1952.

The House bill provided for a single Administrator to be the head of a new Mutual Security Agency which would take over the functions of the Economic Cooperation Administration. The Administrator was to be responsible for the administration of the program subject to the direction of the President. The Senate amendment provided for the continuation of the present division of responsibilities among the Department of Defense, the ECA, and the Department of State with an over-all coordination function to be performed in the Executive Office of the President either by an individual or board to be appointed by the President, with the advice and consent of the Senate.

The House bill provided that a new Mutual Security Agency would carry on the functions of the Economic Cooperation Administration until the termination of the ECA Act on June 30, 1952. The new Agency would not have been able to carry on any economic assistance after that date without specific legislation for that purpose subsequent to this act. The Senate bill required the President to submit to the Congress before March 30, 1952, a reorganization plan under the Reorganization Act of 1949 abolishing the Economic Cooperation Administration and transferring such powers and duties of the Administrator of ECA as might be necessary to carry out the purpose of the Mutual Security Act to an appropriate agency of the Government.

The committee of conference agreed upon a substitute for the provisions of the House bill and Senate amendment dealing with organization.

The conference agreement reflects the dissatisfaction of the Congress with the present method of coordination of our foreign-aid programs through the International Security Affairs Committee (ISAC), an interagency committee headed by an official of the Department of State.

The responsibility for the coordination and supervision of the military, economic, and technical assistance programs authorized by the conference agreement is vested in a single person so that the act may be administered as a unified program. The President is authorized to appoint a Director for Mutual Security in the Executive Office of the President at the salary received by a member of the Cabinet.

A Mutual Security Agency is established which immediately takes over the functions of the ECA and will continue to provide until June 30, 1954, limited economic assistance essential to the defense program.

The Director for Mutual Security is made responsible for administering this new Agency. He is also required to provide over-all supervision and general direction of the Mutual Security Program. The Director will administer the new Mutual Security Agency but the administration of the military end-item program is definitely placed in the Department of Defense (sec. 506). It is intended that the Director shall perform primarily integrating and coordinating functions with regard to the operations of the Departments of State and Defense in the Mutual Security Program. The Director is to act on behalf of and subject to the direction of the President.

In accepting the solution finally agreed upon, the committee of conference was guided largely by the fundamental doctrine that under the Constitution ultimate responsibility for effective operation of the Mutual Security Program lies with the President.

The Director is given primary responsibility for preparing and presenting to Congress programs for assistance which may be required in the interest of the security of the United States. The President is authorized to transfer to the Director three positions with salaries of \$15,000 per year and one position with a salary of \$16,000 a year as authorized by section 406 (e) of the Mutual Defense Assistance Act of 1949. Neither the Director nor any persons appointed to these positions may hold a job at the same time in any other Government agency.

The conference agreement provides that the Director shall become a member of the National Security Council and of the National Advisory Council on International Monetary and Financial Problems.

The conference agreement also includes a provision (sec. 501 (e) (3)) placing the Director for Mutual Security on the Board of Directors of the Export-Import Bank. This was done to facilitate the effective operation of the provision requiring that as large a proportion as possible of the funds authorized be provided on credit terms, in no event less than 10 percent. The administration of such loans is handled by the Export-Import Bank under the provisions of the Economic Cooperation Act, although the Director for Mutual Security will specify the terms in consultation with the National Advisory Council on International Monetary and Financial Problems.

The task of the Director will be a big one. The committee of conference was of the view that a person should be appointed with commensurate ability.

Mutual Security Agency

The conference agreement provides for the termination of the Economic Cooperation Administration and the principal offices of that agency. A new Mutual Security Agency is established and the functions of the Economic Cooperation Administration are transferred to it. Only those powers and responsibilities provided by the Economic Cooperation Administration Act are permitted to extend beyond June 30, 1952, which the President determines are necessary to carry on the purposes of the Mutual Security Act. The President is required to notify the appropriate committees of Congress before April 1, 1952, which of these powers are to be extended. All other ECA powers terminate June 30, 1952.

The primary responsibilities of the new Agency are three:

1. The development and administration of programs of assistance designed to sustain and increase military effort, including production, construction, equipment and matériel in each country or in groups of countries which receive United States military assistance.

2. The provision of equipment, financial and other assistance to countries for carrying out mutual defense programs.

3. The provision of limited economic assistance to countries for which the United States has special responsibilities as a result of its participation in joint control arrangements (such as Austria) when the President finds provision of such assistance in the interest of the security of the United States.

After June 30, 1952, the new Agency cannot provide assistance for any purpose except the three mentioned in section 503. No economic assistance can be provided to any country for "recovery" purposes; and, except in "joint control" countries, none can be provided for programs other than "mutual defense programs" which are defined in subsection (a) of section 503.

The Point Four program is entirely independent of the Mutual Security Agency, and the Act for International Development continues to be administered as the President directs.

Appointment and transfer of personnel.—A Deputy Director for the Agency is established as well as a special representative in Europe and a deputy in Europe. These positions are equivalent to similar ones provided in the Economic Cooperation Administration Act and are subject to confirmation by the Senate.

In this connection, the committee of conference was aware that unless the United States representation in NATO were closely coordinated with the activities of the Mutual Security Agency in Europe, the effectiveness of the program would be impeded. Duplication of staffs in the office of the United States deputy to the North Atlantic Council (USDEP) and in the regional office of the Mutual Security Agency should be avoided. Wherever possible, USDEP should utilize the special skills and talents of the Mutual Security Agency personnel and not set up duplicate staffs.

Personnel (sec. 504 (c)) may be transferred from the Economic Cooperation Administration to the Mutual Security Agency after a double screening. The new Director for Mutual Security must certify that he needs the persons transferred to carry out his duties, and the Director of the Bureau of the Budget must make a similar certification. This is in conformity with the House version (sec. 502 (c)).

Provision is made for reducing the number of "super grade" positions within the continental limits of the United States from 100 authorized by the ECA Act to 50, of which 15 (the ECA Act permits 25) are permitted to receive salaries of \$15,000 per year. These positions are in addition to those now authorized by section 406 (e) of the Mutual Defense Assistance Act and provided for in section 501 (d) of the conference agreement.

The conference agreement also requires a reduction in personnel. By January 1, 1952, the total United States personnel of the Mutual Security Agency—at home and abroad—must be at least 10 percent below the number employed by the Economic Cooperation Administration on August 31, 1951.

Preserving the foreign policy powers or functions of the Secretary of State (secs. 505 and 507).—The conference agreement contains two provisions which preserve the powers or functions of the Secretary of State in the field of foreign policy. Under section 507 (which retains the Senate language) the President is to assure coordination of the Mutual Security Program abroad, under the leadership of the chief of the United States diplomatic mission in the recipient country, while section 505 (which retains the House language) states that nothing in the Mutual Security Act shall be construed to infringe upon the powers or functions of the Secretary of State. The purpose of these provisions is to assure that the operations of the Mutual Security Program will be consistent with the foreign policy objectives of the United States and that the Secretary of State's traditional powers in this respect are not abridged.

Responsibilities of Secretary of Defense (sec. 506 (a) and (b)).—The committee of conference was agreed that the military end-item program and related programs were matters to be handled by the Department of Defense. This section spells out the responsibilities and authority for these programs that are entrusted to the Secretary of Defense. These include the determination of priorities in procurement and deliveries, the allocation of military equipment, and the apportionment of funds between services. In the case of the apportionment of funds between countries, however, political and economic judgments as well as military considerations are important. This function was entrusted to the President to whom the funds are authorized to be appropriated under this act.

Transfer of military end items by Secretary of Defense (sec. 506 (c)).—The committee of conference is of the opinion that expeditious despatch of military equipment to friendly nations is essential in the interests of United States security. It may be desirable to ship such items made under funds appropriated to the Department of Defense. Under existing law the Secretary of Defense cannot transfer military end items the procurement of which was appropriated for under another act.

The language of the conference agreement permits the transfer of such items up to \$1 billion in value. In such cases the Secretary of Defense will be reimbursed from funds allocated to the President under the authorization of this act. No additional appropriation is involved.

Point Four program (sec. 508).—The organizational arrangements in the conference agreement make little reference to the Point Four program. The committee of conference is fully aware that the Point Four program will be subject to coordination and supervision if

"unified direction and control" is to have meaning. However, it is the clear intent of the committee of conference that the administration of the Point Four program shall remain in and under the control of the Department of State. This includes the activities carried on under the Act for International Development and under the Institute of Inter-American Affairs Act.

Security clearance (sec. 510).—The conference agreement contains amendments to section 501 (h) of the House version to make the language specifically cover the security clearance of personnel employed under the Act for International Development. The House version had originally included Point Four personnel since the administration of the Act for International Development had been transferred to the Mutual Security Administrator in the House bill.

Under the Act for International Development no person can be assigned to duty until an investigation by the Federal Bureau of Investigation has been completed. The Economic Cooperation Act permits a 3-month appointment pending completion of the FBI investigation. The committee of conference agreed that the same provision should apply to Point Four employees as to those of the Mutual Security Agency so that the House version was amended to include Act for International Development personnel.

Eligibility for assistance (sec. 511).—The differences between the House bill and the Senate amendment on this point were minor. The conference agreement follows the Senate version which clarifies and perfects the language. It is now clear that the standards for eligibility for assistance established in this section apply only to assistance authorized pursuant to this act. Paragraph (1) of subsection (a) has been broadened to include the promotion of international understanding and good will in addition to maintaining world peace. Paragraph (4) of the same subsection added the words "and economic" to the requirement for making a full contribution consistent with political stability.

Strategic materials (sec. 514).—The House bill provided a separate authorization for strategic-materials development. The Senate amendment authorized the function but directed that the funds be utilized from those made available for Title I—Europe. The conference agreement follows the Senate version. The committee of conference fully agreed that increased attention should be given to this problem. The only issue was the method of financing. In the absence of any program for increased production the Senate version was considered preferable. The language will permit the diversion of money up to \$55,000,000 as the program is developed, rather than earmark a sum that could be used only for that purpose.

The committee of conference noted that under sections 303 and 304 of Executive Order 10161, as amended by section 201 of Executive Order 10281, the Defense Materials Procurement Administrator is given authority to make provision for the development of the production of strategic materials. Sections 115 (i) and 117 (a) of the Economic Cooperation Act of 1948, as amended, direct the Administrator to assist the appropriate agencies of the United States Government in procuring and stimulating increased production in participating countries of materials in short supply in the United States. Although some doubt was expressed as to the effectiveness of the Economic Cooperation Administration in discharging this responsi-

bility, the committee of conference agreed that instead of transferring this responsibility to the President or to the Defense Materials Administrator, the ECA Administrator and his successor, the Director for Mutual Security, should be urged to do their utmost to cooperate with and to assist the Defense Materials Administrator to discharge his responsibilities.

Protection against attachment (sec. 515).—Under section 604 of the House bill all countries receiving United States assistance are required to take steps to protect aid program funds and property from court attachment or seizure in connection with other matters, as in the Belgian case. The Senate amendment contained no such provision.

The conference agreement contains the House language with modifications. The original House language might have been interpreted to mean that a farmer with an ECA tractor could not be sued by a creditor for failure to pay for the tractor.

This was not the intention of the House language; the provision was designed to prevent diversion of assistance funds for other purposes. The conference agreement assures this principle.

Encouragement of free enterprise (sec. 516).—The conference agreement (sec. 516) combines the major provisions of section 2 (b) of the Senate amendment and section 605 (b) of the House bill. These sections direct that the Mutual Security Program be administered so as to encourage free private enterprise, discourage cartels and monopolies, and encourage the free labor movement. The language agreed upon is in accordance with principles enumerated by the House on numerous occasions in the past. At the same time it is so drafted that these longer-range directives can be gradually merged with the immediate and urgent objective of the program.

Patents and technical information (sec. 517 (d)).—As regards suits for compensation for unauthorized use or disclosure of patents and of technical information, the House version (sec. 606 (d)) provided that no right of action was conferred on anyone who is employed by the United States at the time he makes his claim, or who was so employed at the time he made the invention or discovery. The Senate version omitted this language.

The conference agreement makes applicable the last sentence of section 1498 of title 28, United States Code, which is substantially the language of the House version. It was the view of the committee of conference that the existing patent law should not be changed by the committee of conference, except insofar as it should be made clear that section 1498 applies to situations covered by this act.

Administrative expenses (sec. 521).—During the conference the question was raised as to whether either the House or Senate versions of the bill had made clear that funds could be used for the acquisition or construction of facilities in Europe for collective defense. The committee of conference decided to make this authorization explicit, at the same time making equally explicit the prohibition of the use of our funds for rental or purchase of real estate, or for payment of taxes.

The new language inserted in section 521 is as follows:

and for participation in the acquisition or construction of facilities in foreign countries for collective defense: *Provided*, That no part of such funds shall be expended for rental or purchase of land or for payment of taxes,

The committee of conference considered prohibiting direct or indirect payment of taxes. They realized, however, that taxes go into the price structure of everything that is purchased in Europe or the United States, and therefore that it would be impossible, administratively if not literally, to buy anything or hire anyone on a basis that would preclude the possibility of having part of the funds going ultimately for taxes. The conference also learned that direct taxes are never paid by our authorities and that negotiations are in progress to eliminate "twilight zone" transactions. Therefore, it was felt that the limitation against the use of funds for payment of taxes was sufficient.

Loans to recipient countries (sec. 522).—The House bill provided that not less than 20 percent of the assistance might be available from new funds. The committee of conference agreed that not less than 10 percent of the assistance made available from new funds (not including carry-over funds) under the provisions of the Economic Cooperation Act, as amended, must be in the form of assistance on credit. The conference agreement provides that—

as great an amount (in no event less than 10 per centum) as possible shall be provided on credit terms.

The Director will be a member of the National Advisory Council on International Monetary and Financial Problems. This body passes upon the terms of the loan agreements. It may find that a particular country is so heavily burdened that the imposition of a loan is practically impossible. On the other hand, another country may be capable of increasing its debt burden. Thus, some countries may receive grants, others loans, and some may receive both. The only absolute requirement is that at least 10 percent of the total sum be on credit terms.

The 10 percent provision is a minimum, not a maximum. It is expected that the responsible officials will make strenuous efforts to advance more than 10 percent of the authorized sums in the form of loans rather than grants.

Use of counterpart (sec. 523).—

(a) Disposition of unencumbered balances of counterpart funds: The Senate version amends section 115 (b) (6) of the Economic Cooperation Act to permit disposition of unencumbered balances of the counterpart in any country upon termination of assistance under the act rather than on the date June 30, 1952.

The House bill contained no such provision. The conference agreement follows the Senate language. Since the conference agreement now provides for some assistance programs involving counterpart funds beyond June 30, 1952, no purpose is served in preserving the date. Disposition of counterpart funds in those countries where programs may be terminated next year will be made as expeditiously under the language the conference agreement as under a given date.

(b) Use of counterpart funds for military purposes: The House bill provided that not less than \$500,000,000 of the counterpart funds in ECA countries be used for military production. The Senate amendment included additional countries—those receiving aid under the Mutual Defense Assistance Program—and broadened the uses of the counterpart funds. The conference agreement retains both the House and Senate provisions. Under the conference agreement, the requirement

now applies to all countries where United States assistance involves counterpart funds. It assures that a substantial amount of counterpart funds will be devoted to the immediate objectives of the Mutual Security Program. The conference agreement also preserves flexibility of administration. Those in charge of the program can select the countries and the amounts in any way they see fit so long as the minimum amount is earmarked for the purposes provided.

Return of used material and equipment (sec. 524).—The difference between House and Senate versions on this point was small. The conference agreement follows the Senate language, expressing more clearly the intent of the section originally passed by the House.

Transfer of excess equipment (sec. 526).—The Mutual Defense Assistance Act of 1949 authorized the transfer to other countries of not more than \$450,000,000 on value of used and obsolete equipment. In 1950 the ceiling was raised to \$700,000,000.

The committee of conference felt that the evidence on this in both Houses was unsatisfactory. Raising the ceiling to the sum requested by the executive branch might encourage the armed services to declare excess equipment that was capable of further use. In this connection it was noted that our own forces are in urgent need of additional equipment for training and reserve purposes. The conference agreement authorizes the transfer of not more than \$300,000,000 of additional excess equipment.

Congressional committee expenses (sec. 527).—The House bill (sec. 616) contained provisions implementing the Legislative Reorganization Act of 1946 by providing for the appointment of additional staff for the Committee on Foreign Affairs and for the use of counterpart funds for expenses incurred by the committee and staff when on committee business abroad. These provisions were omitted in the Senate version. The conference agreement retains the authority to use counterpart funds and extends it to include other appropriate committees and staffs of the Congress concerned with the Mutual Security Program, without charge to the appropriations made for such committees.

Encouraging fair labor standards and management-labor relations (sec. 528 (b)).—The House version (sec. 617 (a) (2)) amended the Act for International Development by requiring the encouragement of participating countries in the technical assistance program "to negotiate agreements with the United Nations and its specialized agencies, or otherwise, to establish fair labor standards of wages and working conditions and management-labor relations." The Senate amendment contained no such provision. The conference agreement follows the House language, omitting the phrase "with the United Nations and its specialized agencies, or otherwise." It was the view of the committee of conference that the channel through which such agreements are negotiated should not be restricted.

Expiration of assistance (sec. 530).—The conference agreement retains the basic language of the House version (sec. 510), with respect to the expiration of the Mutual Security Program (with the exception of the Act for International Development), with certain clarifying amendments and the elimination of the proviso in section 510 (a) of the House version. The termination of the ECA contained in the proviso is specifically provided for in section 502 of the conference agreement.

Effective date (sec. 531).—The Mutual Security Act will go into effect

on the date of its enactment except for designated sections which will require time to accomplish. The abolition of the ECA, any transfer of personnel, the abolition of the senior ECA jobs and the creation of the jobs specified in the new Agency may occur at the discretion of the President, but not later than 60 days after the Director takes office. Section 511 which requires agreements from nations in order for them to be eligible for assistance will take effect 90 days after the enactment of the act in order to allow time for the negotiation of necessary agreements.

J. P. RICHARDS,
MIKE MANSFIELD,
THOMAS E. MORGAN,
JOHN M. VORYS,
FRANCES P. BOLTON,
Managers on the Part of the House.





religious followers and the people of all circles reached 33. Some others have been put under control, arrested, ordered to apologize and repent, or sentenced to prison terms.

The Communist journal added: "The foreign imperialist missionaries with a saintly mask asserted that they singly devoted themselves conscientiously to the work on the propagation of religion and relief and that they were above politics. But irrefutable evidence exposed in various places has proven that these imperialists under the cloak of religion are out-and-out counter-revolutionaries. According to figures checked by the Peiping government the number of children murdered by the foreign missionaries throughout the nation reached more than 100,000."

By resorting to such flamboyant and absurd charges, it is no wonder that a certain amount of mass feeling has been whipped up against foreigners.

The greatest scandal in China is the death in Woochow jail of Dr. William Wallace, Southern Baptist. American authorities here have been sufficiently satisfied by the evidence to report to Washington that his death was most likely the result of Communist mishandling.

Mr. CASE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. CASE. Is it not apparent that the whole China situation and the Korean war are rapidly becoming forgotten, and the Americans engaged in it are coming to be forgotten Americans.

Mr. KNOWLAND. The war is not forgotten by the 300,000 American troops who are fighting in Korea. It has not been forgotten by the parents and relatives and friends of the men who have been and are suffering casualties in taking Heartbreak Ridge and other mountain areas in Korea today. I believe the time has come when the American people are going to demand that if there are the "super duper" weapons which the military authorities of our country have talked about, we had better stop sacrificing American lives and start using those weapons.

Mr. CASE. I agree with the Senator.

Mr. FERGUSON. Mr. President, I am glad the Senator from California placed in the RECORD the article written by Marguerite Higgins. It is reporters like Marguerite Higgins, who are willing to face the loss of their liberty and the loss of their lives to whom we owe so much in America under a free press.

Mr. Oatis and many other persons of whom we know have felt that they should go to foreign countries and get news and information for the American public. It is through them that we receive our news and our information, rather than from bureaus and agencies of government. More power to the reporters who bring to us such information.

TRIBUTES TO SENATORS GREEN AND HAYDEN ON THEIR BIRTHDAY ANNIVERSARIES

Mr. WILEY. Mr. President, four score and four years ago there was born one of our noble associates whom I should like to honor today in a brief but sincere word of greeting and good wishes.

No one who has been associated with this young man of Rhode Island would doubt for one moment that among all

the 96 Senators he stands among the most active, the most interested, the most energetic. I have served with my colleague from Rhode Island not only here in Washington but I have traveled with him in many corners of the globe. Wherever he has gone he has displayed not only a spirit eager to learn, eager to discover, eager to serve, but he has contributed his fine ability and talent in service to the general welfare.

While of opposite political faith from my own, I am glad to acknowledge his splendid services as a Senator of the United States and as an American. I know that the people of Rhode Island wish their senior Senator today many many more years of continued service to the Republic. Because I serve with him on the Foreign Relations Committee, I desire to wish for him many more continued years in service of the cause of world peace and world prosperity, goals in which he has been so active in his work on that committee.

As a former governor of his State, he has always been keenly familiar with the problem of the grass roots. He has never lost that perspective and I am sure he never will.

I honor him; I pay tribute to him; I am proud to have him as a fellow Senator, and proud to call him friend.

Good luck and God bless you—THEODORE FRANCIS GREEN.

Mr. GREEN. Mr. President, I simply wish to thank my friend, the senior Senator from Wisconsin, for the cordial greetings from across the aisle.

Mr. PASTORE. Mr. President, I should like to associate myself with the felicitations just expressed by our distinguished friend on the other side of the aisle.

Today is the natal day of my distinguished senior colleague and friend from Rhode Island, THEODORE FRANCIS GREEN.

I think I bespeak the sentiments of the Members of this august body and particularly the sentiments of the people of my beloved State of Rhode Island when I say that we join in wishing him many, many more years of good health and continued service for his State and for the people of this great country.

I feel that no one in the history of the State of Rhode Island has served his people for a longer period of time, with more vigor, with keener enthusiasm, and with greater distinction.

I wish him many years of continued service.

Mr. McFARLAND. Mr. President, I wish to join in the tributes that have been paid to the distinguished Senator from Rhode Island [Mr. GREEN] on this happy occasion of his eighty-fourth birthday. While the senior of all of the Members of this body in years, he is the youngest of all in mental agility and his physical fitness rivals that of a youth of twenty. I pay special tribute to his physical stamina which surmounts the weary daily grind here that pulls younger men down; but I pay greatest tribute to his fresh and invigorating outlook on life—the spirit and liberalism of youth which marks his approach to all of the problems that confront him. He has performed well and faithfully all of the

duties entrusted to him by his fellow citizens as Governor of a great State and as Senator of the United States. He is a great citizen carrying on his daily duties in the tradition of those illustrious men who have gone before us. I earnestly hope that for many years to come he will continue to serve his country with the high distinction that has marked his service thus far.

Moreover, Mr. President, this is a day for double rejoicing since it also marks the birthday anniversary of my esteemed colleague, CARL HAYDEN. Born 74 years ago, the distinguished senior Senator from my State of Arizona is one of the ablest and most beloved Members of this body. Senator HAYDEN is himself a pioneer of Arizona and his family are pioneers of the West. When Arizona was admitted to the Union in 1912, CARL HAYDEN was elected its first Representative in Congress and he served there for seven terms until he was elected to the Senate in 1926. He has been an outstanding Member of the Senate, serving with great fidelity and honor to himself and his State. I know that all of his colleagues join with me in wishing him years of continued health and happiness in his service in this body.

Mr. KNOWLAND. Mr. President, will the Senator from Arizona yield at this point?

Mr. McFARLAND. I yield.

Mr. KNOWLAND. I should like to join my distinguished colleague from Arizona, the majority leader, in paying tribute to his colleague in the Senate, CARL HAYDEN.

I believe I am the only Member of the Senate whose family has had two generations serving in both the House and Senate with the able Senator from Arizona. My father served in the House of Representatives from 1903 to 1915, and during a part of that period his service coincided with that of the distinguished senior Senator from Arizona, then a Member of the House.

Those of us who have served with Senator HAYDEN on the Appropriations Committee, as well as on other Senate committees, and who have also worked with him on the floor of the Senate, know that there is no more able Senator and no man more devoted to the interests of his State and his Nation than is the senior Senator from Arizona.

Mr. McFARLAND. Mr. President, I thank my good friend, the Senator from California, for his remarks. I deeply appreciate them.

It certainly has been a pleasure for me to serve with Senator HAYDEN. He has been very kind to his junior colleague.

Mr. SALTONSTALL. Mr. President, as acting minority leader and as an individual, I should like to congratulate my colleague from New England, the senior Senator from Rhode Island [Mr. GREEN] on his youthfulness, his great spirit, and his seemingly inexhaustible energy. I particularly wish to remind him how much we in Massachusetts owe to his stubbornness, if it may be called such, which made it possible for citizenship in Massachusetts to be restored to Roger Williams. That was done through

the persistence and the constant reiteration of the Senator from Rhode Island. So we owe him a great debt of gratitude.

Mr. President, I also should like to join in congratulating Senator CARL HAYDEN, of Arizona, on his birthday anniversary. I recall the fact that CARL HAYDEN was sheriff of Maricopa County when I went to school in that county. I knew of the fine service he rendered as sheriff; I have followed his distinguished career as a Senator, in which office he has distinguished himself as a devoted, faithful and invaluable public servant.

Mr. HILL. Mr. President, I wish to join in the tributes which have been paid to the distinguished senior Senator from Rhode Island [Mr. GREEN]. He is one of the most remarkable men I have ever been privileged to know, ever youthful, ever devoted, ever dynamic, a man of great spirit, a true and noble friend, a statesman without fear and without reproach, a patriot in the noblest tradition of New England and of our country.

I also wish to join in the tribute which has been paid to my good friend, the senior Senator from Arizona [Mr. HAYDEN]. There is no abler, wiser, more devoted, or more effective Member of the Senate. CARL HAYDEN is a tireless, indefatigable worker who makes countless contributions to the welfare of our country and to the work of the Senate. Modest in the extreme, but a towering figure in his accomplishments, he is one of the great public servants of our time.

Mr. LEHMAN. Mr. President, I wish to associate myself with the remarks of congratulation which have been expressed on the floor of the Senate in connection with the anniversary of the birth of our distinguished colleagues, the senior Senator from Rhode Island [Mr. GREEN] and the senior Senator from Arizona [Mr. HAYDEN].

I have been honored by the friendship of Senator GREEN for nearly a quarter of a century. I first met him when he attended a Governor's conference in Albany, at the beginning of 1929. He was a great governor, and he has been a great Senator ever since he took his seat in the Senate.

I also wish to congratulate the senior Senator from Arizona, whose service to his State and country, of course, requires no encomiums. He has been one among the great leaders of this body for a very long time. I consider it not only a great pleasure to have served and to have been permitted to serve with these two great Senators, but it is a distinct privilege and honor. I wish for both of them long life and many years of continued good health and service to their States and to the Nation.

Mr. McMAHON. Mr. President, the measure of my affection and devotion to THEODORE FRANCIS GREEN and CARL HAYDEN is not to be judged by the length of time I shall speak, for I shall speak very briefly.

I occupy a seat next to Senator GREEN on the Foreign Relations Committee. Neither Senator GREEN nor Senator HAYDEN is what might be termed young in years, but each has the precious characteristic of being young in spirit. I recently had the pleasure of making an of-

ficial visit to Europe on a committee headed by Senator GREEN. When we got about two-thirds of the way through, I said, "Thank God he is not 25 years younger." He set a pace for us which had us all weary at one time or another. We all had that unpleasant experience once in a while—all except this grand young man from Rhode Island, THEODORE FRANCIS GREEN.

As for CARL HAYDEN, his service in this body is best appreciated by those who have served in the Senate. It is a wonderful thing to be associated with these men in this great deliberative body. I can truly say it has been one of the fine experiences of my life to be able to call both of them fellow Senators and friends.

Mr. FERGUSON. Mr. President, I, too, want to pay my high respect to the senior Senator from Rhode Island and the senior Senator from Arizona. We have been closely associated on the Appropriations Committee, both Senators having served on the same committee as that on which I happen to serve.

But I have also served with the distinguished Senator from Rhode Island—and I may say to the Senate that I have enjoyed his company—in trips around the world on several occasions on missions for the United States Senate. Our last trip was to Australia, to attend as observers a meeting of the British Parliamentary Association. We then, on our way back, looked into certain matters on behalf of the United States. We were able to join in a unanimous report, and I know from the demand on the part of citizens for that report that it was of interest. I hope that Senators will consult that report to find what we had to say about world conditions.

We feel that these two gentlemen have served long and honorably in the United States Senate, and I join with other Senators in saying that we wish them many more happy years in the Senate of the United States.

Mr. KEFAUVER. Mr. President, I also wish to join in paying my respects to Senator GREEN and Senator HAYDEN on the anniversary of their birth, in paying my regard to the fine public service which both of them have rendered, and in wishing them well.

EIGHTIETH BIRTHDAY ANNIVERSARY OF CORDELL HULL

Mr. President, this is also the eightieth birthday of a great Tennessean and a great American—Cordell Hull, who served this Nation for nearly 40 years as Representative, as Senator, and finally as Secretary of State.

Cordell Hull typifies the rugged honesty, the careful morals, which we need in government, and in American life. Any student of government would do well to study the career of Cordell Hull as a model.

"What would it profit any nation to hoard its substance and lose its freedom?"

I have chosen this sentence from Cordell Hull's message to the American people today on the occasion of his eightieth birthday anniversary because it so typifies the man's clean-cut approach to the great problems of his age.

Cordell Hull always was able to cut through the little problems, the petty arguments, and pierce the heart of the issue. And I, who have followed him as a Senator from Tennessee, who have sat through the endless discussion in this session of Congress concerned with what we can do and what we cannot do, with what we should devote to the military program and what to the civilian program, appreciate this renewed example of Cordell Hull's simple directness:

What would it profit any nation to hoard its substance and lose its freedom?

Cordell Hull is a great Tennessean who believes that this would be a better world if the peoples in it knew each other better.

Mr. Hull in his maiden speech in Congress in 1907 called for a liberal international commercial policy for the United States. This speech marked the beginning of a struggle which he carried on unceasingly for nearly 40 years as Representative, as Senator, and finally as Secretary of State.

Trade, in his mind, was one way for nations to form binding ties, and his name will be associated down through history with all who believe in freer commerce as a firm basis for lasting peace.

Cordell Hull believes that the conference table—the meeting room—is another desirable means to the end of peace. In pursuit of this belief he became the real father of the United Nations.

His name is now noble and great in history, and as time goes on his name and his work will loom even greater and more noble.

A number of us who believe in Cordell Hull and his work have formed the Cordell Hull Foundation, which is designed to carry on his dream of the peoples of the world knowing each other better in the related fields of scholarship. The foundation will serve to bring foreign students and scholars to America and to send American scholars abroad, thus cutting through the curtains that separate us.

It is another road to peace.

Mr. President, I am sure that the Members of the United States Senate would like to join with me in wishing our illustrious predecessor well on his eightieth birthday anniversary.

MUTUAL SECURITY ACT OF 1951— CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

The VICE PRESIDENT. The pending question is the appeal taken yesterday by the Senator from Michigan [Mr. FERGUSON] from the ruling of the Chair on the point of order raised by the Senator from Idaho [Mr. DWORSHAK] that the conferees exceeded their authority in dealing with section 101 (b) in the conference report on the Mutual Security Act of 1951. The question is, Shall the decision

of the Chair stand as the judgment of the Senate? The question is subject to debate.

Mr. SALTONSTALL. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Benton	Hickenlooper	Millikin
Brewster	Hill	Monroney
Bricker	Holland	Moody
Bridges	Humphrey	Morse
Butler, Nebr.	Hunt	Mundt
Cain	Ives	Neely
Capehart	Jenner	Nixon
Carlson	Johnson, Colo.	O'Connor
Case	Johnson, Tex.	O'Mahoney
Chavez	Johnston, S. C.	Pastore
Clements	Kefauver	Robertson
Connally	Kem	Russell
Cordon	Kilgore	Saltonstall
Dirksen	Knowland	Schoeppel
Douglas	Langer	Smathers
Duff	Lehman	Smith, N. J.
Dworschak	Lodge	Smith, N. C.
Eaton	Long	Sparkman
Ellender	Magnuson	Stennis
Ferguson	Malone	Taft
Frear	Maybank	Thye
Fulbright	McCarran	Underwood
George	McCarthy	Watkins
Gillette	McClellan	Welker
Green	McFarland	Wiley
Hayden	McKellar	Williams
Hendrickson	McMahon	Young

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Missouri [Mr. HENNING], the Senator from North Carolina [Mr. HOPE], and the Senator from Montana [Mr. MURRAY] are absent on official business.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Maine [Mrs. SMITH] are absent by leave of the Senate.

The Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], the Senator from Missouri [Mr. KEM], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Maryland [Mr. BUTLER] and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness.

The Senator from Nebraska [Mr. WHERRY] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

Mr. FERGUSON. Mr. President, the question now before the Senate is one of great importance. It was with regret that I felt impelled to appeal from the ruling of the Vice President; but when a decision stands and is not appealed from it becomes a precedent. I believe this to be a matter of such importance that the Senate itself should decide the precedent.

It is true that prior to 1946, before the enactment of the Reorganization Act, there had been some rulings which indicated that where a substitute bill was passed in one of the two Houses the conferees were permitted very great latitude.

I wish to invite attention to a volume entitled "The Congressional Conference

Committee, Seventieth to Eightieth Congress," by Gilbert Y. Steiner, Illinois, studies in the sciences: Volume XXXII, the University of Illinois Press, 1951. Professor Steiner has this to say after exhaustive research of the subject:

The most frequently heard criticism of the conference committee is that it tends to be irresponsible in the matter of deletion of agreed matter and inclusion of new matter. In the 56 individual studies made here, only 3 outstanding cases of this type have been found. These involve the Agricultural Adjustment Act of 1938, the Transportation Act of 1940, and the Surplus Property Act of 1944. In each of these cases, the conferees acted with perfect parliamentary legality in that one House or the other had stricken out everything after the enacting clause of a bill and substituted a new bill. Under these conditions, as has been emphasized, committees of conference are empowered to write a completely new bill, on the theory that the single over-all amendment puts everything in disagreement.

However—

And this is the part I desire particularly to bring to the attention of the Senate—

However, it is probably the intent of the rules to compel conferees to retain all matter agreed upon by both Houses whether or not a single substitute bill is involved. Congress is aware of the problems created by this loophole in the rules, which otherwise restrict the power of conferees to matters of disagreement. As a consequence of testimony given before the joint committee on the organization of Congress—where the Surplus Property Act was used as an illustrative case—the rules of both Houses were amended with the aim of forbidding the practice of striking out agreed matter where a substitute bill situation is involved.

Mr. President, I now read from the report of the Joint Committee on the Organization of the Congress of the United States, pursuant to House Concurrent Resolution No. 18. It is a Senate Report No. 1400 of the Seventy-ninth Congress, second session, and I read from page 8, section 7:

Recommendation: That conferees of the two Houses be limited to adjustment only of actual differences in fact between the two Houses and that matters on which both Houses are in agreement be not subject to change in conference.

Considerable testimony regarding the introduction by conferees of new material into conference reports, and the elimination or substantial change of legislation agreed to by both Houses, was presented during our committee's hearings. While the standing rules are clear regarding the limitation of conferees to the disagreements between the two Houses, parliamentary procedures make it possible for conferees completely to rewrite legislation substantially agreed upon in both Chambers.

This is done by one house striking everything after the enacting clause, substituting one over-all amendment, and thus technically placing everything in the bill in disagreement and therefore making it subject to complete revision by the conferees. This is clearly not the intent of the rule on conferences.

Therefore, your committee recommends that rules governing conferences be clarified and enforced so as to permit consideration only of sections or parts of a bill on which the Houses have, in fact, disagreed and to forbid conferees to change those parts of legislation agreed to by both Houses.

Mr. President, in the case before the Senate at this time section 101 (b) of the mutual-security legislation is identical in the substituted bill with what it was in the House bill. The percentage figure was 5 in each bill. It has been changed to read 10 percent, although there had been no difference between the two versions as passed by the respective Houses.

The reorganization committee that was studying this matter in 1946 realized there was a flaw in the rule, since, as was said by Professor Steiner, in 3 cases out of 60, conferees had made a change in subject matter, although there had been no disagreement between the two Houses. This situation was clearly taken care of by section 135 of the Legislative Reorganization Act, which was intended to plug up the loophole. Section 135 was incorporated in Senate rule XXVII.

Mr. CASE. Mr. President—

The PRESIDING OFFICER (Mr. O'Connor in the chair). Does the Senator from Michigan yield to the Senator from South Dakota?

Mr. FERGUSON. I yield.

Mr. CASE. Did any of the three instances which, prior to this change in the rule, were found to exist, deal with dollars? The Senator has mentioned the Agricultural Act of 1938, which I remember very well, as being an instance which was cited, where one House had stricken out all after the enacting clause and substituted a new, complete text, and that was held to throw the entire general subject into conference. But in that instance the conferees were not dealing with something exact, as is the case when dollars or percentages are involved. They were dealing only with interpretative language in regard to substance. I do not recall any instance among the 3 out of 60—some examined, where the conferees agreed to increase a dollar amount above the maximum proposed by either House.

Mr. FERGUSON. I cannot say whether there were dollars involved in those dealings, but I do say it has been a fundamental principle that where dollars are involved and the House bill has one figure and the Senate bill has another figure, the conferees are bound to come to agreement somewhere between the maximum and the minimum provided by either the House or the Senate. They could adopt the low figure; they could adopt the high one; they could adopt a figure anywhere in between. But let me state what has happened in this case.

The House bill provided an amount of \$5,028,000,000 for military aid. For economic aid it provided \$1,040,000,000. The 5-percent provision would allow a transfer of \$251,400,000 in the case of military aid, and \$52,000,000 in the case of economic aid.

The Senate bill provided \$5,006,350,000 in military aid and \$880,500,000 in economic aid. A 5-percent transfer, under section 101 (b) would allow a transfer of \$250,317,500 of military aid and \$44,025,000 of economic aid.

There, Mr. President, we have the basic figures. But the conference report provides for \$5,028,000,000 in military aid, which is the House figure. That is

all right. That was in conference. The conferees agreed on \$1,022,000,000 for economic aid, which is \$18,000,000 less than the House figure; and that is all right, because the amounts were in conference and that is a compromise. But when they change the transfer figure from 5 percent to 10 percent, that permits a transfer from military aid not of a maximum of \$251,400,000 but of \$502,800,000, and a transfer from economic aid not of \$52,000,000, but of \$104,000,000. In other words, the conference report does not keep within the House figure and the Senate figure at all when it provides for transferability. That is the complaint I have with the ruling of the Chair when he gave the reason that the conferees were dealing with figures only.

Mr. President, I say that if they can change the 5 percent to 10 percent, they can change it to 100 percent and allow an absolute transfer of the entire appropriations. Then what have we? We have 96 Senators who pass a bill, and 435 Members of the House who pass a bill, but a dozen conferees change entirely the action taken by the two Houses.

We are all familiar with what happens in the case of such bills. What I say is no criticism of anyone connected with this particular bill. I am talking now about a principle.

Mr. CASE. Mr. President, will the Senator again yield?

Mr. FERGUSON. In a moment. We know that when conference reports are brought to the Senate they have priority over everything else, and as a rule they go through without even a yea and nay vote, because the average Senator feels that the Senate has already passed on the matter, and realizes that certain items are in dispute, as to which the bill might be changed, but I think no Senator could anticipate that such a change as has been made in section 101 (b) would be made in the bill. If we were now to change the rule, it could be said that every time one House passes a substitute bill—either the House or the Senate—everything would be in conference, and an absolutely new bill, with the sky the limit as to figures or anything else in the bill, could be reported by the conferees.

I now yield to the Senator from South Dakota.

Mr. CASE. Mr. President, it has always been my understanding that the broad principle could be laid down with regard to conferences that the conferees could not go beyond the area of disagreement; that the domain of the conferees was in the area of disagreement. Here clearly the disagreement, if any existed, by the application of the 5-percent figure to the total amount involved, would be the translation of 5 percent to the respective dollar amounts. But I cannot see under any precedent or under any ruling I have ever heard before, that it could be said that the conferees could change the percentage of transferability and double the amount which the Senate, for example, had approved with respect to economic aid. My understanding is that the Senate approved approximately eight hundred and some million dollars for economic aid. The House approved

slightly over \$1,000,000,000. The application of the 10 percent transferability of the military figure and transferring 10 percent of \$5,000,000,000 to economic aid—that is, the transfer of the \$502,000,000 which the Senator has suggested—could result in a total appropriation for economic aid of one billion five hundred and some million dollars, which would be practically twice the amount the Senate approved. The Senate approved \$300,000,000 plus. By this action, if agreed to, there could be used for economic aid more than one and one-half billion dollars, which would be twice the amount the Senate approved—that is, \$1,550,000,000 instead of eight hundred and some million dollars. The House approved only one thousand million dollars, or \$1,000,000,000. That represents a 50-percent increase over the House figure and a 100-percent increase over the Senate figure for economic aid.

Certainly every precedent, and the integrity of the proceedings of the Senate, are at stake if we agree without protest to a conference action which will go beyond the area of disagreement and give to the conferees the right to double the amount approved by the Senate for economic aid and increase the figure of the House for economic aid by 50 percent. That is the effect of changing 5 percent to 10 percent when applied to the figures involved. It seems clear to me that the conferees have gone outside their domain; and in the interest of the integrity of the proceedings of both Houses we ought not to sustain the ruling of the Chair, which I think was unfortunately made in this instance.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. DIRKSEN. Sometimes we dissociate the conference idea from the general legislative theory. The whole theory of legislation is that the legislative minds of the two bodies must meet, and when they have met on a proposition in a bill, that closes it. The minute they agree upon section 101 (b), obviously it may not be committed to conference for action. The conference committee would have no authority from that point on.

I think the essence of the rule is simply this: It uses the word "commit." What was committed to the conference by both bodies? Certainly nothing that was agreed to could be committed. So, I may say to the Senator from South Dakota, quite aside from the amounts involved, I think there was a clear violation of the rule, because the conferees went beyond the point of disagreement. In that connection it seems to me that rule XXVII is abundantly clear.

Mr. FERGUSON. We find that the recommendation of the Monroney-La Follette committee was to plug this so-called loophole. In at least three instances it had indicated that a conference committee could rewrite a bill.

Mr. DIRKSEN. Mr. President, will the Senator further yield?

Mr. FERGUSON. I yield.

Mr. DIRKSEN. My recollection is a little vague. I served on the Joint Committee on Legislative Reorganization

long ago. I well recall the amount of laboring which that item received. It is very clear that if the conferees can substitute an entire bill, at long last we have in our legislative procedure the development of a single body which, for practical purposes, can supersede the authority of the two branches of the Legislature established under the Constitution. We devoted very considerable attention to that subject. A very distinguished former Member of this body, Senator La Follette, who was also on the joint committee, I believe, gave more than extraordinary attention to the very point which the Senator from Michigan now labors.

Mr. FERGUSON. When a bill comes back from conference, a different question is placed before the Senate than is involved in the original passage of the bill. The bill as it comes from conference is not subject to amendment. The conference report must be accepted or rejected as a whole. Therefore, it is not the proper thing to do to bring back an entirely new bill, which affords the Senate no right to amend it. The Senate must vote it either up or down. The conference report must be agreed to or the bill must be sent back to the conferees. Not one word can be changed in the bill, under the present rule.

It was agreed that the former rule should be changed. As indicated by Professor Steiner, section 135 of the Reorganization Act of 1946 did change it. I read the section which was placed in that act in the belief that we were changing the rule so as not to permit such alteration as has been described:

SEC. 135. (a) In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House. They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

(b) In any case in which the conferees violate subsection (a), the conference report shall be subject to a point of order.

The question is, Have we drawn a new rule for the purpose of changing the old rule, or do we have only a new rule which does exactly what we tried to avoid? Is this body going to take the stand that it had presented to it a section of a bill written for the purpose of changing something, that it voted upon it and passed it as section 135 of the Legislative Reorganization Act, and that it now comes to the conclusion that nothing has been changed? In other words, have we marched up the hill and down again and into the swamp? I cannot believe that the United States Senate will now say, by its vote on the appeal from the ruling of the Chair, that we did nothing at all when we passed section 135 of the Legislative Reorganization Act. The Monroney-La Follette committee thought that the change which it was recommending would change the rule to accomplish just what I am contending for today. Now, we find that it is claimed that nothing at all has been done, that we have used words which

mean absolutely nothing, and that there has been no change.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. DIRKSEN. I know that my former colleagues in the House will bear me out when I say that on occasion we had committee procedure in the House of Representatives under which the chairman of the committee was quite indifferent to defending his own bill. I shall not mention any names or any committees, but I served on one committee. I used to upbraid the chairman a little, in a very polite manner, by asking him, "Why do you not defend your bill and resist some of these amendments?" He would shrug his shoulders and say, "Oh, well, let them put all the amendments they want into the bill because when we get to conference we shall write a new bill."

Certainly that is not contemplated as a part of the legislative procedure.

If the conference committee can go so far that it can take liberties with the manner in which the House and Senate have impressed their will upon legislative matters before them, we ultimately set up a third house with so much power that the legislative intent will never be expressed, or will be only partially expressed.

Mr. FERGUSON. What the Senator from Illinois says is absolutely true. It is, as I remarked yesterday, a revolutionary theory of legislation.

We know that in connection with practically every bill which is passed some Senator suggests an amendment to the Senator handling the bill, and asks him, "Will you not take it to conference?" Many times such amendments are taken to conference. The Senator in charge of the bill will say, "With respect to this particular item the House bill and the Senate version vary." Many times we have heard it said, "This item is not in conference. It will not be in conference because it is the same in both the House bill and the Senate version." That is the only question we have here.

As the reorganization bill was passed in the Senate it had different language in it. In section 135 (a) appeared the words: "nor strike out anything agreed to and passed by both Houses."

That language was deleted when the House passed the bill. However, both House and Senate were agreed that they were passing new legislation to prohibit the changing of anything agreed to by both Houses, whether by means of a substitute bill or otherwise.

This provision does not refer exclusively to striking out. The figure of 5 percent was stricken out, but the figure of 10 percent was put in. There is a great deal of difference between merely striking something out and not inserting anything in its place, and, on the other hand, making such a change as has been made in this instance.

I ask Senators what figures were in conference. With respect to military aid, the figures in the House bill were higher than those in the Senate bill. Therefore, there was something in conference in that respect. With respect to economic aid, the figures in the House

bill were higher than those in the Senate. Therefore, there was something in conference in that connection. But if Senators will examine section 101 (b) they will find that both the Senate and House agreed upon the figure of 5 percent. Therefore, there was nothing in conference in that connection. If it is said that there is something in conference, then it involves anything from nothing to 100 percent which could be transferred. I think that clearly shows the fallacy in the contention that there were percentage figures in conference.

Instead of the Senate bill and the House bill allowing a total of only two hundred and fifty million-plus dollars as transferable from the appropriation for military aid, and \$52,000,000 transferable from the economic fund, the conference report permits a transfer of the military money of \$502,800,000, and from the economic money a sum of \$102,200,000.

Mr. President, I hope the Senate will not sustain the ruling of the Chair, which revolutionizes the idea of legislation. The ruling is that as in the case of many bills, where one House passes a complete substitute for the bill of the other House, everything is in conference, and the conferees can write a new law. The Senate would have no choice with respect to any of the conference amendments except to adopt them or send the report back to conference. This is authority too broad for a conference committee and disruptive of orderly legislative processes. I hope that the ruling of the Chair will not be sustained.

The PRESIDING OFFICER (Mr. O'Connor in the chair). The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. DIRKSEN. Mr. President, I merely wish to reaffirm my convictions, and to say that I share the conviction of the Senator from Michigan [Mr. FERGUSON]. The ruling of the Vice President is a rather sharp and substantial deviation from the rule. I do not pretend to be an expert parliamentarian, but I do have some familiarity with what I believe is the intent of the legislative process. Certainly legislation cannot come into being until both branches of Congress, as prescribed by the Constitution, have worked their will upon one or more proposals which come before them in bills. Once they have agreed upon any particular item, under the Senate rule it is no longer committed to conference. It is over and beyond any conference.

The Senate rule very specifically uses the word "commit." In all precedents, the word "commit" recurs. Therefore I believe the question which we must determine is simply as to what was committed to conference. Only those provisions which were in disagreement between the two bodies could have been committed. When an item such as section 101 (b) comes up, since it was agreed to by both Houses it is not committed to conference. Therefore, any ruling that the item was in conference is, in my considered judgment, simply a departure from the spirit of the rule.

I sincerely trust that the Senate will not embrace and accept the ruling of the Chair, because it would leave the door

open to what could some day become a legislative practice which could thwart the will of both branches of Congress.

Mr. WILEY. Mr. President, I desire to speak in favor of the ruling of the Chair. I am a member of both committees which went into the subject now before the Senate. If it were merely a question of percentages, I would say that the reasoning of the distinguished Senator from Michigan [Mr. FERGUSON] and the distinguished Senator from Illinois [Mr. DIRKSEN] was correct. However, when we get to a provision in which the percentages are the same but the figures on which the percentage operates differ, we have something in conference. There is only one issue before the Senate. I believe the Chair ruled properly that it was for the conferees to decide what course to take.

If the objection had been made initially—as I understand it was not—that it was a question of raising the amount over the amount adopted by either House or both Houses, we would have a different question. The question was based upon an item of percentage. Thus, to make the point clear, if another man and I differ over what we should settle on, and can agree on the percentage but cannot agree on the basis on which the percentage is to operate, we certainly are not in agreement. There is then a difference of opinion. I believe we had such a case in mind when we adopted section 135 of the Reorganization Act in 1947.

Section 135 of the Legislative Reorganization Act provides:

(a) In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House.

What was reported to the House? Five percent of a certain amount. What was reported to the Senate? Five percent of another amount.

I read further:

They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

In view of the conflicting information regarding the authority of the conferees on the mutual security bill, I have done a little independent checking which may be of interest.

Two principles seem to be clear:

First. Normally the conferees, in dealing with matters in disagreement between the two Houses, are limited to action within the language of the differences established by the bill as it passed each House.

What are the differences? Let us take my example again. X says it is 5 percent of a million dollars. Y says it is 5 percent of \$10,000,000. There we have a difference. The percentage is not the big issue. The question involved is the difference in the amount.

Second. If, however, one House strikes all but the enacting clause in the bill as passed by the other House and substitutes an entirely new bill, the foregoing restriction on the conferees does not hold and their authority is practically un-

limited. There is considerable authority to support that theory since 1947.

The principle found in paragraph 2 above is set forth generally on page 282 of the Senate Manual. Paragraph 32 appearing on that page states as follows:

A disagreement to an amendment in the nature of a substitute having been referred to conferees, it was held to be in order for them to report a new bill on the same subject.

The best analogy which I have been able to find involves a conference report on a bill reducing tariff duties on wool in 1911. The Senate had struck out everything after the enacting clause in the House bill and had substituted a new bill. With respect to brussels carpets, the tariff was fixed at 30 percent in the House bill and 35 percent in the Senate amendment. The conference report had raised the rate to 40 percent and this was the subject of a point of order on the floor of the House by Representative Mann, of Illinois. In overruling the point of order the Speaker of the House stated as follows:

The Chair has no doubt whatever that at least one contention of the gentleman from Illinois is correct. That is, that if it is a mere dispute about amounts or rates, the conferees cannot go above the higher amount or rate named in one of the two bills or lower than the lower rate named in one of the two bills. But that is not this case. In this case the Senate struck out everything after the enacting clause and substituted a new bill. Last Saturday there did not seem to be any precedents to fit the point under consideration. This time, fortunately for the Chair at least, four great Speakers of this House have ruled on the proposition involved * * *.

All four of these Speakers, three Republicans and one Democrat, have passed on this question, and they have all ruled that where everything after the enacting clause is stricken out and a new bill substituted, it gives the conferees very wide discretion, extending even to the substitution of an entirely new bill.

Mr. CASE. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I should like to conclude my statement first.

See Eighth Cannon's Precedents, section 3263.

The same principle has been reiterated by the Senate with the possible qualification that where there are provisions in both the House and Senate bill containing identical language, the conferees may not change that language. This exception, however, is interpreted broadly as revealed by the following statement of the Vice President overruling a point of order to a conference report which eliminated a proviso clause that had been set forth in substantially similar but not identical language in both the House and Senate bills:

The Chair has heretofore gone to great lengths in sustaining the rule of the Senate with reference to the insertion of new matter and the omission of matter agreed to by the two Houses. In an early opinion after this rule was adopted, the point of order was sustained where there was a section in the original bill of the House and a section on the original bill of the Senate which were identically the same. That ruling went further than the precedents of the House of Representatives have been from the days of

Speaker Colfax down. Those rulings are uniformly to the effect that where the House passes a bill and the Senate strikes out all after the enacting clause and passes another bill, when it goes to conference the matter is practically in the hands of the conferees to report such a bill, germane to the subject of the conference, as the conferees may think proper, and then it is for the two Houses to say whether or not they will adopt the conference report. As heretofore stated, however, the Chair, being extremely desirous of sustaining this rule of the Senate, did sustain a point of order under circumstances of a bill enacted by the House, all after the enacting clause stricken out, and a new bill inserted in the Senate, where in both bills there was a section identical in language.

Now, let us see where we are.

This is a proviso contained in each bill. It is not identical in the two bills at all, beyond the fact that each required the names of the contractors and the amounts of partial or final settlements to be filed with the House for the information of Congress. There it ends, so far as the terms are identical in the two bills. After that, in the House bill it is to be printed in the CONGRESSIONAL RECORD or in the Official Bulletin or as a public document 10 days before confirmation and payment as authorized upon such contract. The Chair is inclined to think that the important thing in the bill was the requirement that it be printed somewhere 10 days before confirmation and payment. In the Senate bill it is to be printed in the CONGRESSIONAL RECORD or as a public document within 10 days after such confirmation.

See Eighth Cannon's Precedents, section 3276. See also Eighth Cannon's Precedents, section 3277.

Mr. President, despite the restriction which the Senate seems to impose where identical language has been passed by both Houses, recognition by the Senate of the principle applicable where one House substitutes an entirely new bill is revealed in the following words uttered in 1907 by the elder Senator Lodge, of Massachusetts:

In this case the Senate bill was stricken out by the House and a single amendment was made in the nature of a substitute—a long act covering every section of the existing immigration law. Therefore both bills in their entirety were open to the conferees and were subject to any modification which they might choose to make. Technically there can be no doubt that in a situation like that the powers of the conferees were very large, if not unlimited.

See Fifth Cannon's Precedents, section 6426.

Under the early Senate rules, a conference report was not subject to point of order on the ground that the conferees had gone beyond their authority.

See Fifth Cannon's Precedents, sections 6426 through 6431.

However, in recent years, in light of a rule subsequently adopted by the Senate, this can now be made the subject of a point of order.

See Eighth Cannon's Precedents, sections 3272 through 3275.

Mr. President, attention is invited to the fact that the present Vice President raised points of order on the 1930 tariff bill on the ground that in many respects the conference report had set duties at a rate in excess of that provided by either the House or the Senate. His points of order were sustained; and it may well be

that he will remember this if he is called upon to rule on the same issue in connection with the present bill. In such an event it should be pointed out to him that the Senate apparently did not pass an entirely new bill, but simply proposed specific amendments to the bill as passed by the House. Consequently the principle of freedom applicable when a new bill is written did not apply.

See Eighth Cannon's Precedents, section 3281.

Mr. CASE. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. CASE. Mr. President, is it not true that the illustration to which the able Senator from Wisconsin has referred, in which this question arose at a time when Representative Mann was a Member of the House, was many years prior to the Reorganization Act of 1946?

Mr. WILEY. Oh, yes.

Mr. CASE. Is it not also true that the Senate rule is changed by the act of 1946, as is clear by reference to the footnote to rule XXVII, paragraph 3, which definitely refers to the fact that it was amended in 1946? Is it not also true that all the precedents upon which the able Senator from Wisconsin has relied are based upon rulings prior to that change in the rule?

Mr. WILEY. Generally speaking, I think the Senator's statement is correct, except as to his interpretation of section 135 of the Reorganization Act. In view of the circumstances here and the facts involved, as we had them before us in conference, I think this particular section is applicable, as ruled by the President of the Senate yesterday. In that respect I think the Vice President was correct.

Mr. President, I had intended to speak to the merits of the bill as redrafted as a result of the conference. If there are no more questions—

Mr. FERGUSON. Mr. President, will the Senator from Wisconsin yield to me for a question?

Mr. WILEY. I yield.

Mr. FERGUSON. What figures were in conference, insofar as the House and Senate were concerned?

Mr. WILEY. I do not have the exact data before me. I think it has already been stated.

Mr. FERGUSON. I have it before me now. How does the Senator from Wisconsin understand that the conferees could change the highest transferable amount, as voted by the House, from \$251,400,000 for military aid, to the figure \$502,800,000? I had always understood that it was necessary for the conferees to take either the highest figure or the low figure, or somewhere between the two. How is it possible for the conferees to change from \$251,400,000 to \$502,800,000?

Mr. WILEY. I think the Senator is placing his finger on the vital point at issue. I would say definitely that the point raised yesterday was as to the change in percentage, not the change in the amount. I have mentioned that point in my remarks today. Since there is a change in the amount, namely, from 5 percent on "X" to 5 percent on "Y,"

that presents the conferees with an opportunity to act.

The only other issue is whether the conferees have gone beyond what was the former rule, namely, that they should not go above or below the amounts voted by the Senate and the House.

Mr. FERGUSON. Mr. President, will the Senator from Wisconsin yield for a further question?

Mr. CASE. Mr. President, let me say that is exactly what the conferees did.

Mr. FERGUSON. Mr. President, is it not true that the Monroney-La Follette committee on page 8 of their report, in section 7, under the heading "Limitation of conference reports," makes the following recommendation:

That conferees of the two Houses be limited to adjustment only of actual differences in fact between the two Houses and that matters on which both Houses are in agreement be not subject to change in conference.

At the end of the paragraph they state:

Therefore, your committee recommends that rules governing conferences be clarified and enforced so as to permit consideration only of sections or parts of a bill on which the Houses have, in fact, disagreed and to forbid conferees to change those parts of legislation agreed to by both Houses.

Considering that statement in the reorganization committees' report, would it not be an absurdity to have written and adopted section 135 of the Legislative Reorganization Act as a change in the rules of conference without having achieved any change in the rule? Is it not true that the purpose in writing section 135 was to change the rule?

Mr. WILEY. I would say there is some basis for that argument. However, I would say that when one House has stricken out all but the enacting clause, under other rules which have been stated, enough of a question was presented before the conferees to justify them in acting as they did; and the fact that the Vice President has sustained their action, even if the Senate does not, shows that there is a ground of dispute. So I felt that it was perfectly legitimate and within their functions, in view of the facts as presented to the conferees, for them to take the action which was taken.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILEY. I yield to the Senator from Michigan.

Mr. FERGUSON. The point is that the limitation on conference reports, according to the report of the Joint Committee on the Organization of the Congress of the United States, dated March 4, 1946, pursuant to Concurrent Resolution No. 18, was striking at the very nature of a substitute bill. The language on page 8 is:

Regarding the limitation of conferees to the disagreements between the two Houses, parliamentary procedures make it possible for conferees completely to rewrite legislation substantially agreed upon in both Chambers.

This is done by one House striking everything after the enacting clause, substituting one over-all amendment, and thus technically placing everything in the bill

in disagreement and therefore making it subject to complete revision by the conferees. This is clearly not the intent of the rule on conferences.

Therefore, your committee recommends that rules governing conferences be clarified and enforced so as to permit consideration only of sections or parts of a bill on which the Houses have, in fact, disagreed and to forbid conferees to change those parts of legislation agreed to by both Houses.

So that it was to cover a substitute bill that the change in the rule was made.

Mr. WILEY. Mr. President, I agree fully that the conferees may not include in their report matters not committed to them by either House. The Senate Manual, under the heading "Conference committees and reports," on page 287 says:

30. Conferees may not strike out in conference anything in a bill agreed to and passed by both Houses.

31. Conferees may include in their report matters which are germane modifications of subjects in disagreement between the Houses and committed to the conference.

32. A disagreement to an amendment in the nature of a substitute having been referred to conferees, it was held to be in order for them to report a new bill on the same subject.

33. A conference committee may report agreement as to some of the matters of difference, but inability to agree as to others.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILEY. I will yield in a moment.

The question may be considered a close one, but in spite of what has been said, I believe that in the interest of good legislation and in the interest of utilizing the instrumentality of conference committees to iron out differences, the ruling of the Chair was correct.

Mr. President, I yield the floor.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. DIRKSEN. Is a motion to recommit the conference report in order, and if so, does such a motion take precedence over the pending question on the appeal from the ruling of the Chair?

The PRESIDING OFFICER (Mr. MOODY in the chair). The Chair would think that under rule XXII such a motion would be in order and would take precedence of the pending question.

Mr. DIRKSEN. Mr. President, I move that the conference report on House bill 5113 be recommitted to the conference committee.

The PRESIDING OFFICER. The question is on the motion of the Senator from Illinois to recommit the conference report to the conference committee.

Mr. CASE. Mr. President, I desire to speak on the motion.

Mr. CONNALLY. I make the point of no quorum.

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Texas for the purpose of making the point of no quorum?

Mr. CASE. I yield, provided I do not thereby lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONNALLY. I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Dakota (Mr. CASE) has the floor.

Mr. CASE. Mr. President, the issue before the Senate is whether the report should be recommitted to the conferees. The question arises out of a difference of opinion on the ruling made by the Chair yesterday with respect to the power of the conferees in relation to the provision in the bill which deals with the transferability of funds.

The distinguished Senator from Wisconsin [Mr. WILEY] has taken the position that the question in disagreement must be related to application of the 5-percent figure to the dollars involved in the bill. I am not disposed to quarrel with those who argue that, because the bill, as passed by the Senate, was in the nature of a substitute for the House bill, the power of the conferees was greater than it would have been had the bill been amended section by section. It is greater when a complete substitute is offered even though much wording is repeated; yet the spirit of conference and the integrity of proceedings require that the intent of identical provisions be maintained. The work of the conferees is to reconcile differences, not to substitute new content.

Taking the statement of the Senator from Wisconsin that the meat of the matter is the application of the 5-percent figure, the area of difference would be between 5 percent applied to the dollar figures carried in the House bill and 5 percent applied to the dollar figures carried in the Senate bill. Apply those figures. The House bill would have permitted a transfer of \$251,400,000 on the military fund whereas the Senate would have permitted a transfer of \$250,317,500 on the military fund. In other words, the difference in the transferability would have been approximately \$1,000,000, which is approximately the difference between \$251,000,000 permitted by the House figure and \$250,000,000 permitted by the Senate figure. But changing the 5-percent to a 10-percent figure would make it possible to transfer \$502,000,000—that is 10 percent of the \$5,000,000,000 military figure.

In other words, the transfer offered by the conferees would double the amount which could have been transferred under either the House or the Senate versions of the bill.

Mr. President, it is the contention of those who feel that the conference rule is violated, or of those who feel that the bill should go back to conference for correction, that the power of the conferees was exceeded by making a proposal which would permit the transfer of

twice the amount contemplated by the respective Houses.

The full significance of that is apparent, Mr. President, when it is recalled that one of the issues before the Senate in original consideration of the bill was the ratio between economic aid and military aid. The House had said that the ratio should be about 5 to 1; \$5,000,000,000 for military aid to \$1,000,000,000 for economic aid. The Senate said the ratio should be greater than that; \$5,000,000,000 for military aid against \$880,000,000 for economic aid; a ratio more nearly 6 to 1. The action of the conferees, however, would change the possible ratio to 3 to 1, for if \$502,000,000, the military 10 percent, were added to the direct fund for economic aid there could be a total appropriation for economic aid of \$1,524,000,000.

That \$1,524,000,000 for economic aid, Mr. President, would be 50 percent more than the House allowed, which was \$1,040,000,000, and would be approaching twice the Senate figure of \$880,000,000. So that is the significance of the question here raised.

Looking at the effect of a 5-percent transfer on funds involved, I would admit that the conferees might have raised the 5 percent to about 5.3 percent; that would have permitted the amount to be transferred to be the same as the maximum transfer permitted by either House. But we are adopting the words the distinguished Vice President used yesterday, "the sky is the limit," if we approve a change in the transfer clause by conferees to permit the appropriation of twice as much for economic aid as the Senate proposed, and 50 percent more than the House proposed.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CASE. I yield.

Mr. TAFT. I am obliged to attend a meeting of the conference committee on the tax bill, and I should like to ask a question at this time. As I understand the figures given by the Senator from South Dakota, instead of a transfer of \$250,000,000, it is possible, under the conference report, to transfer from military to economic aid \$500,000,000.

Mr. CASE. Yes, \$502,000,000.

Mr. TAFT. In addition to the amount which is contained in the conference report. I shall fight for return of the bill to conference because it seems to me the conferees have in effect violated the wishes of the Senate. We had in the Senate itself a vote first to cut \$500,000,000 from the economic aid item. That motion failed by a vote of 31 to 41. Somewhat later the distinguished Senator from Illinois [Mr. DIRKSEN] offered an amendment to cut the amount by \$250,000,000, and that carried by a vote of 36 to 34. Now it may be that the conferees might be justified, perhaps, in receding from what the Senate has decided on the vital issue, the most important issue in the entire bill. It may be that the conferees were persuaded that they could restore the \$250,000,000 that was cut from the item by the vote of the Senate, and so they restored \$197,000,000 to the bill. But when they go beyond that, in direct violation of the vote of the Sen-

ate, and so arrange the transfer that \$250,000,000 more can be spent on economic aid than would be allowed under the bill as passed by the Senate, it seems to me that they have violated the discretion that was given to them. I think they should have stood by the Senate figure to begin with. I think there is some justification, perhaps, for compromising 80 percent of the way toward the House figure, if they have to do that, but certainly they ought not to add to that \$250,000,000 more which was not in either bill.

So it seems to me that we have a right to protest against the action of the conferees, and to ask them to reaffirm the vote the Senate took on the question of economic aid, when that question was before the Senate. I think the method of returning the bill to the conferees so they may sustain the position of the Senate, is the proper course to pursue. I agree with the Senator from Illinois and the Senator from South Dakota, and I should definitely think we should instruct the conferees that they have gone beyond anything justified by the action of the Senate when the bill was before the Senate.

Mr. CASE. Mr. President, the Senator from Ohio has stated the basic issue very well, and that is whether or not the wishes of the Senate, as expressed through its votes during the consideration of the bill, should be ignored. The action of the conferees has not gone toward the action of either the House or the Senate. It has gone in the direction of the Bureau of the Budget. The Bureau of the Budget originally asked \$1,675,000,000 for economic aid. The House authorized \$1,040,000,000, in other words, going from 16 down to 10. The Senate authorized \$880,000,000. In other words, coming from the budget position of 16 and the House position of 10, down to 8.8.

But the conferees by increasing the percentage of transferability, have put in a possible figure of \$1,524,000,000. That is, as I have said, \$500,000,000 more than the House proposed authorized and \$600,000,000 more than the Senate authorized. It is almost the original budget figure of 16.7.

The verdict of the Senate that the emphasis should be placed upon military aid and not upon economic aid was a decision which was not lightly taken. It was the result of considerable debate and discussion, both in the Senate Committee on Foreign Relations and on the floor of the Senate. Right or wrong, the decision ought not to be reversed by action of the conferees under clearly questionable authority under the rules.

I recognize that we are now away from the technical question of the ruling of the Chair, and are back upon the merits of the change which has been made. But by reason of the point which has been made with respect to the rule involved, as well as by reason of the merits, it seems to me that the bill should be returned to the conferees so that they can follow the wishes of one House or the other, or recommend something in between. But they should understand that they should not increase possible appropriations for either major purpose

to a point above that proposed by either the House or the Senate. Whatever may be said about the merits of any question, the fact still remains that the proper domain for conferees on any bill is the area of disagreement between the two bodies.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois [Mr. DIRKSEN] to recommit the bill to conference.

SEVEN BILLION FIVE HUNDRED MILLION DOLLARS TO EUROPEAN NATIONS LEVELING OUR LIVING STANDARDS WITH NATIONS OF WORLD

Mr. MALONE. Mr. President, our first line of defense is a sound American economy.

Abraham Lincoln once said that if this Nation is ever destroyed it will not be from without, but from within.

I agree with Lincoln's pronouncement. If we are destroyed, it will be an inside job.

TAXPAYERS' MONEY TO FOREIGN NATIONS—WELFARE CLAUSE

Mr. President, appropriations for foreign nations under the general welfare clause of the Constitution are far-fetched, to say the least.

In effect, they represent the adoption on an international scale of the Karl Marx thesis—"From each according to his ability and to each according to his needs."

Even Karl Marx would turn over in his grave to see his principle, originally enunciated for individuals within a nation, applied as between nations—to tear down the living standard of a new nation whose original citizens broke away from the old Europe to build an independent nation based upon the inalienable rights of the individual.

WAY TO ABOLISH WAR

Many individuals, residents of different nations, throughout the world have said that they believe the only way we can abolish war is to level the standards of living of the nations of the world—in other words, to bring our own standard down to that of India, China, Russia, and other nations, on the theory, no doubt, that with everyone living alike there would be nothing to fight for—and, I may add, no time or energy left either to play or fight. Life would again become a fight for existence. If the administration's plans work out including the division of our markets under their free-trade program and continued gift-loans to foreign nations—we are headed for the one economic world.

THIS ADMINISTRATION'S EXPENDITURES

Mr. President, this subject has been discussed previously on the floor of the Senate, but I wish to refresh the memory of Senators.

Since Mr. Truman ascended to the Presidency of the United States on April 12, 1945, his administration has collected more net Government revenue than had previously been collected by all administrations since the commencement of the Federal Government under the present Constitution, in the year 1789.

wrong way to legislate, and I doubt if the Congress of the United States would ever again give the President the power to legislate and leave the veto power in the Congress, the very reverse of what the Constitution of the United States provided for. The time will soon come when Congress should repeal the Reorganization Act and take back the authority which the Constitution gives it. We should take it away from the President of the United States. We are not a vetoing authority. We are a policy-legislating authority, and the veto should rest in the President.

On hundreds of occasions, Congress has exercised its power to regulate the disclosure of information originating in some part of the executive branch. Congress has prohibited the gathering and disclosure of information concerning military facilities owned by the United States—Eighteenth United States Code, section 791; the disclosure of crop information by Federal employees—eighteenth United States Code, section 1902; disclosures of information by bank examiners—eighteenth United States Code, section 1906; and the unlawful concealment or removal of Government records—Eighteenth United States Code, section 2071.

When we talk about concealment or removal or destruction of Government records, that likewise is provided for in the President's order. There is no reason why any Federal records ought to be destroyed so long as they are of any use.

The legislative power of Congress is not limited to providing penalties for the unlawful disclosure or concealment of information. In section 10 of the Atomic Energy Act, Congress defined "restricted data" and directed the Commission to encourage the dissemination of scientific information subject to overriding demands of national security—Forty-second United States Code, section 1810. In creating Government departments and agencies Congress has generally provided for the submission of detailed reports periodically. In addition, Congress has provided that every executive department or independent establishment shall, at the request of the Committee on Expenditures of either House, furnish any information relating to matters within the committees' jurisdiction—Fifth United States Code, section 105a. It would be unthinkable for Congress to admit that information concerning the activities of the executive branch is not within its jurisdiction.

It seems reasonably certain that the President's order is not unconstitutional on its face. There is little doubt, however, that the application and enforcement of the order will abridge freedom of the press, and the rights of the citizens under the first amendment. It is futile to expect the courts to act because the improper suppression of information, even if known, could not be presented in the form of a justiciable controversy.

It is my hope, Mr. President, that Congress will prevent Executive Order 10290 from taking effect by passing S. 2190 before the end of the present session. Such action would not prevent the Pres-

ident from reissuing an identical order, but I do not believe that he would so openly defy the Congress. After passage of S. 2190, we could reasonably expect the President to request appropriate legislation or to issue a new order not inconsistent with the spirit of the first amendment.

Mr. Truman's attempt to lower an iron curtain around the executive branch is no isolated threat to freedom of speech and of the press. Recent efforts to weaken the protection of the first amendment have no parallel in American history. They are infinitely more dangerous than anything attempted under the infamous Sedition Act of 1798. Mr. Truman spoke the truth when he told the American Legion, on August 14, 1951, that the Bill of Rights was in deadly peril. Ironically, all the recent attempts to undermine fundamental freedoms have been those of the President or spokesmen for his administration.

The first and most sweeping threat to freedom is found in the United Nations draft Covenant on Human Rights. The State Department has endorsed article 14 (3), which provides that freedom of speech and of the press may be subjected to such "penalties, liabilities, and restrictions" as are necessary in the interest of national security. Article 2 (1) of the draft Covenant would permit freedom of speech and of the press to be restricted by Executive order during any national emergency. The dangers inherent in the draft Covenant may be more fully appreciated if we take Executive Order 10290, add penalties, and apply it directly to newspapers and radio stations.

The second threat to freedom of the press arises out of the payment of Federal funds to supposedly independent newspaper and radio commentators.

A subsidized press is the forerunner of a Government-controlled press. It is inevitable, when we launch on that road, that ultimately we shall have a Government-controlled press.

A third threat to freedom of the press is indicated in the gratuitous insults which President Truman hurls at publishers who dare to criticize the policies of his administration. Some of Mr. Truman's recent speeches indicate that he is trying to make freedom from political criticism an integral part of the first amendment.

A fourth threat to freedom of information is revealed in attempts to prevent military leaders from expressing their views to the Congress or its committees.

A fifth threat to freedom of information is revealed in attempts to expand the Lobbying Act. A so-called liberal Senator recently introduced a bill, the announced purpose of which is to regulate "modern effective lobbying techniques (which) are directed primarily to the grass roots, where large numbers of influential and rank-and-file citizens are reached." The idea that a benevolent government must protect its citizens against lobbying at the grass-roots level is drawn undiluted from the manuals of totalitarian rulers.

A sixth threat to liberty of the press is found in proposals advanced by Dr. Robert Hutchins, Americans for Democratic Action, and other self-styled liberals that the Government break up, regulate, or operate alleged monopolies in press, radio, motion pictures, and television. These so-called, self-styled liberals are the most reactionary political force which has ever appeared upon the American political scene.

The seventh major threat to freedom of information takes the form of attacks on the doctrine of congressional immunity and alleged abuses of the privileged sanctuary here on the Senate floor.

I do not deny that there have been abuses of freedom of the press, or that freedom of speech has been abused both inside and outside of the Congress. These abuses may be expected to continue as long as there is freedom of expression. Much as we may deplore such abuses, we must never forget that the danger to freedom of expression lies not in its abuse but in attempts to define and regulate those abuses by governmental action. Our Republic was founded on the theory that the truth would eventually prevail if the marketplace of ideas were not closed by restrictions of government. Let us continue to be governed by the first amendment and by the faith expressed in these words of the poet John Milton:

Give me liberty to know, to utter and to argue freely according to my conscience, above all other liberties.

It would be unrealistic, Mr. President, to deny that the demands of national security require some limitation on freedom of speech and of the press. The most dangerous mistake we can make, however, is to accept the doctrine that fundamental freedoms must be subordinated to interests related to the Nation's security. Fifty years ago national security was practically synonymous with military planning and operations. The issuance of an order similar to Executive Order 10290 might have been entirely proper in an era when war was confined to the battlefield and its impact barely felt on the domestic front. In the context of modern war, however, the words "national security" embrace almost every form of activity. General Collins uttered a profound truth when he testified to this effect in hearings on the troops-to-Europe question:

Since modern war is total war, it is impossible to separate the purely military elements from the economic, political, and psychological elements.

Accordingly, if national security is a proper test for regulating the disclosure of information, freedom of speech and of the press become meaningless phrases, at least for the duration of the present emergency, which we are told may be 20 or 30 years. I cannot believe that the road to freedom is one which requires us to adopt the methods of our potential enemies—certainly the enemies of our form of government. If it be true that freedom of expression is the foundation of our strength, any incidental damage to national security is a small price to

pay for its preservation. In the *Dennis* case (341 U. S. 494 (1951)), the Supreme Court, in an opinion written by the Chief Justice, seems to have emasculated the clear and present danger doctrine with this startling statement:

Nothing is more certain in modern society than the principle that there are no absolutes, that a name, a phrase, a standard has meaning only when associated with the considerations which gave birth to the nomenclature. * * * To those who would paralyze our Government in the face of impending threat by encasing it in a semantic straitjacket we must reply that all concepts are relative (p. 508).

The ominous implication of this doctrine that "all concepts are relative" is that men are not endowed by their Creator with any unalienable rights. As a complete answer to Chief Justice Vinson's dangerous statement—and it is a dangerous statement—I ask to have printed at this point in my remarks an article and an editorial which appeared in recent issues of the *Catholic Universe Bulletin* of Cleveland, Ohio.

There being no objection, the article and editorial were ordered to be printed in the *RECORD*, as follows:

PAPAL NUNCO CHALLENGES CHIEF JUSTICE ON "ALL CONCEPTS ARE RELATIVE" STAND

PITTSBURG.—Chief Justice Fred M. Vinson's statement that "all concepts are relative" was challenged here in a message to the Catholic Central Verein convention from Archbishop Aloisius J. Muench, of Fargo, N. Dak., papal nuncio to Germany.

Writing to the convention from Germany, Archbishop Muench said:

"There must be absolute norms so long as man is what he is: a child of the Creator, endowed by Him with inalienable rights, and invested by Him with precious freedoms."

Without absolutes, the archbishop said, "the very basis of democracy is destroyed, resting as it does on the principle of equal rights before the law."

"Less than 2 months ago," Archbishop Muench related, "the American public was shocked to hear the Chief Justice of the United States Supreme Court declare that 'nothing is more certain in modern society than the principle that there are no absolutes, that a name, a phrase, a standard has meaning only associated with the considerations which gave birth to the nomenclature. To those who would paralyze our Government in the face of impending threat by encasing it in a semantic straitjacket we must reply that all concepts are relative.'"

The archbishop commented:

"Look into the world of today: the world of new dictators who trample under foot the rights of men, shackle their freedom in chains of slavery, show no regard for human life, and light fires of war wherever it may suit their wicked purposes."

"Against these aggressors blood is being spilled on battlefields in defense of what men have ever held to be absolutes in democracy; their basic rights and freedoms."

"Why suffer, why die for relative concepts; concepts that may be right today, but wrong tomorrow? Why suffer, why die for down-trodden, helpless peoples against whom powerful aggressors, armed to the teeth, throw the weight of their unscrupulous, ruthless might?"

"It does not make sense to load citizens with crushing burdens of taxes in the interest of the way of living today which, in accordance with the theories or relatives, may be the wrong way of living of tomorrow."

"Nor are we justified in mortgaging the future of our children and children's children if the system which we are defending today

with unprecedented sacrifices may be no longer the right system in their own day.

"If there are no absolutes, then the principle, uttered with absolute certainty in the Declaration of Independence, that man has been endowed by his Creator with natural inalienable rights has no longer any solid foundation."

"The very basis of democracy is destroyed, resting as it does on the principle of equal rights before the law. The state becomes the sovereign arbiter of what is right and what is wrong."

CONFUSION IN HIGH PLACES

Murder is a horrible and bungling crime even in its transferred sense of destroying such a thing as a principle. In high places it has a shattering effect. With all respect, we ask the Chief Justice of the United States to examine his conscience in this matter.

Chief Justice Fred M. Vinson slipped in his reasoning when he upheld the conviction of the 11 Communists by a lower court for their subversive activities. His decision was eminently correct, but it did not flow from correct premises. It would be like an umpire calling a man out on strikes whose fly ball had been caught by a fielder.

The head of our Supreme Court wrote: "Nothing is more certain in modern society than the principle that there are no absolutes, that a name, a phrase, a standard has meaning only when associated with the considerations which gave birth to the nomenclature. * * * To those who would paralyze our Government in the face of impending threat by encasing it in a semantic strait-jacket we must reply that all concepts are relative."

The framers of the Declaration of Independence referred to certain absolute values as the "law of nature and nature's god." We prefer this thinking to that of any modern jurist.

If there are no absolutes, what becomes of Christian morality? Are murder, rape, arson, theft ever right?

Sadly enough, other judges are beginning to quote this erroneous opinion in handing down their decisions. We hope the Chief Justice will rectify his error before it does too much damage. It is unfair to call a strike a ball even off the diamond.

MR. BRICKER. It is vitally important for the Congress to recognize that freedom of speech and of the press are not relative concepts; that these rights will be maintained even at the expense of some injury to the Nation's security; and that these fundamental rights will not be restricted except in those unusual cases when the free exercise thereof would constitute a clear probability of imminent danger to the safety of the Nation. The formulation of such a policy will not be easy. Repeal of Executive Order 10290 is a logical first step in that direction.

We have just imposed on the American people an unprecedented tax burden. We have required the American people to make many other economic sacrifices. They are told that the policies of their Government are matters of life and death, a fact which is being proved each day in Korea, where 85,000 battlefield casualties have been reported. Notwithstanding these sacrifices of blood and treasure, they are now informed by a Presidential order that they, the people of America, cannot be trusted with the facts concerning the activities of their own Government, for which they pay this incalculable cost in taxes. A free people

will demand the repeal of this disgusting iron curtain order of the President.

The sooner the Congress acts the safer will be the liberties of the American people and the sounder the foundation of free government in this Nation.

MR. CAPEHART. Mr. President, will the Senator yield?

MR. BRICKER. I yield.

MR. CAPEHART. Does the Senator know whether or not the committee to which the bill was referred is holding hearings upon it?

MR. BRICKER. Yesterday the chairman of the committee told the Senator from Ohio that he would read the bill immediately. All I asked was that it be set down for hearing as soon as possible. I told the chairman of the committee that as soon as the bill was set down for hearing I should like to appear before the committee and present my views.

MR. CAPEHART. Mr. President, I join the Senator from Ohio in urging that we insist on Congress passing this bill before the present session adjourns. I believe we should pass it as quickly as possible, and I certainly urge the committee handling the bill to hold hearings on it and report it back favorably to the Senate.

MR. BRICKER. If that is not done, the order will be so implanted in the minds of the bureaucrats and propagandists of the various departments that it will be very difficult to ever have attention paid to our efforts. The propaganda will be turned on, and the power of the administration, through the use of money and appointments and 2,500,000 employees, will be brought to bear upon Congress. We have already felt the dangerous impact of those forces upon this Congress.

MR. CAPEHART. The Senator from Ohio is eminently correct.

**MUTUAL SECURITY ACT OF 1951—
CONFERENCE REPORT**

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

THE VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois [Mr. DIRKSEN] to recommit the conference report to the conference committee.

MR. CARLSON. Mr. President, I suggest the absence of a quorum.

THE VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Benton	Cordon	Green
Brewster	Dirksen	Hayden
Bricker	Douglas	Hendrickson
Bridges	Duff	Hickenlooper
Butler, Nebr.	Dworshak	Hill
Cain	Eaton	Holland
Capehart	Ellender	Humphrey
Carlson	Ferguson	Hunt
Case	Fulbright	Ives
Clements	George	Jenner
Connally	Gillette	Johnson, Colo.

Johnson, Tex. McClellan
Johnston, S. C. McFarland
Kefauver McKellar
Kerr McMahon
Kilgore Millikin
Knowland Monroney
Langer Moody
Lehman Mundt
Lodge Neely
Long Nixon
Magnuson O'Connor
Malone O'Mahoney
Maybank Pastore
McCarran Robertson
McCarthy Russell

Saltonstall
Schoeppel
Smathers
Smith, N. J.
Smith, N. C.
Sparkman
Stennis
Taft
Thye
Underwood
Watkins
Welker
Wiley
Williams
Young

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the motion of the Senator from Illinois that the conference report be recommitted to the committee of conference.

Mr. DIRKSEN. Mr. President, I think I should acquaint the Senate with the fact that yesterday an appeal was taken from the ruling of the Chair, and that matter was pending this afternoon, and was rather generously discussed.

Subsequently, I offered a motion to recommit the conference report to the committee of conference, in the hope that that would be a satisfactory disposition of the problem, would leave open the pending appeal, and would give the committee of conference a chance to re-examine the merits of this controversy, which relates mainly to the transferability clause of the bill. That is the principal question.

I understand that the first vote to be taken will be on the question of agreeing to the motion to recommit the conference report to the committee of conference.

The VICE PRESIDENT. That is correct.

Mr. DIRKSEN. Mr. President, on that question I ask for the yeas and nays. The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois to recommit the conference report to the committee of conference.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. HOEY], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I announce that on this vote the Senator from Delaware [Mr. FREAR] is paired with the Senator from Maine [Mrs. SMITH]. If present and voting, the Senator from Delaware would vote "nay," and the Senator from Maine would vote "yea."

I announce further that if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from Missouri [Mr. HENNINGS], and the Senator from

Montana [Mr. MURRAY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Maine [Mrs. SMITH] are absent by leave of the Senate.

The Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], the Senator from Missouri [Mr. KEM] and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Maryland [Mr. BUTLER] and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness.

The Senator from Nebraska [Mr. WHERRY] is necessarily absent.

The Senator from Oregon [Mr. MORSE] is detained on official business.

On this vote the Senator from Utah [Mr. BENNETT] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Oregon would vote "nay."

On this vote the Senator from Maine [Mrs. SMITH] is paired with the Senator from Delaware [Mr. FREAR]. If present and voting, the Senator from Maine would vote "yea," and the Senator from Delaware would vote "nay."

The result was announced—yeas 30, nays 48, as follows:

YEAS—30

Brewster	Dworschak	Millikin
Bricker	Eaton	Mundt
Bridges	Ferguson	Schoeppel
Butler, Nebr.	Hendrickson	Smith, N. C.
Cain	Hickenlooper	Taft
Capehart	Jenner	Thye
Carlson	Johnston, S. C.	Watkins
Case	Langer	Welker
Cordon	Malone	Williams
Dirksen	McCarthy	Young

NAYS—48

Benton	Johnson, Colo.	Monroney
Clements	Johnson, Tex.	Moody
Connally	Kefauver	Neely
Douglas	Kerr	Nixon
Duff	Kilgore	O'Connor
Ellender	Knowland	O'Mahoney
Fulbright	Lehman	Pastore
George	Lodge	Robertson
Gillette	Long	Russell
Green	Magnuson	Saltonstall
Hayden	Maybank	Smathers
Hill	McCarran	Smith, N. J.
Holland	McClellan	Sparkman
Humphrey	McFarland	Stennis
Hunt	McKellar	Underwood
Ives	McMahon	Wiley

NOT VOTING—18

Aiken	Eastland	Martin
Anderson	Flanders	Morse
Bennett	Frear	Murray
Butler, Md.	Hennings	Smith, Maine
Byrd	Hoey	Tobey
Chavez	Kem	Wherry

So the motion of Mr. DIRKSEN to recommit the conference report was rejected.

The question now is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. FERGUSON and other Senators requested the yeas and nays, and the yeas and nays were ordered.

Mr. RUSSELL. Mr. President, I wish to take a few minutes to put some prior rulings into the RECORD in order that these precedents may be available if this question should arise in the future, as it undoubtedly will.

The distinguished Presiding Officer of the Senate, the Vice President of the United States, has covered the matter very fully, and, I think, fairly and correctly, in the ruling which was made on yesterday. There is one precedent which is on all fours with the pending question before the Senate. I understand that the distinguished Senator from Wisconsin [Mr. WILEY] discussed this precedent in his remarks on the conference report. I was in a committee meeting and was not privileged to hear the Senator's statement, so I shall read briefly from the precedent, because it is on all fours with the pending question:

On August 14, 1911, the House of Representatives was considering the conference report on H. R. 11010, reducing tariff duties on wool. Mr. James R. Mann, of Illinois, made the point of order that the conferees had exceeded their powers by incorporating in their report provisions on subjects not in disagreement. Mr. Mann referred specifically to the rates on Brussels carpets, which were fixed at 30 percent in the House bill, at 35 percent in the Senate amendment, but which had been raised to 40 percent in the conference report.

Members of the Senate will observe that there was one figure in the House bill, another figure in the Senate amendment, and that the conference report contained another figure different from either of the other two figures.

The Speaker—Mr. Champ Clark, of Missouri—made the following ruling:

The desire of the present occupant of the chair is to rule fairly; and so far as I am individually concerned, I would rather have it said of me, after I have finally laid down the gavel, that I was the fairest Speaker that the House ever had, than that I was the greatest. * * *

The particular matter at bar seems to have been differentiated into two classes by previous Speakers: One where the dispute between the two Houses is simply a dispute about rates or about amounts, and the other where one House strikes out everything after the enacting clause and substitutes an entirely new bill.

That is exactly what happened in the pending conference report. The Senate struck out all after the enacting clause of the House bill and wrote an entirely new bill.

The Chair has no doubt whatever that at least on contention of the gentleman from Illinois is correct. That is, that if it is a mere dispute about amounts or rates, the conferees cannot go above the higher amount or rate named in one of the two bills or lower than the lower rate named in one of the two bills. But that is not this case. In this case the Senate struck out everything after the enacting clause and substituted a new bill. Last Saturday there did not seem to be any precedents to fit the point under consideration. This time, fortunately for the Chair at least, four great Speakers of this House have ruled on the proposition involved—Speaker Colfax, who was subsequently Vice President; Speaker Carlisle, subsequently Senator and Secretary of the Treasury; Speaker Henderson, and Speaker Cannon. The Chair does not know anything about the parliamentary clerks to Speaker Colfax and Speaker Carlisle, but the Chair is fully persuaded that every Member of this House who has served in prior Congresses will agree that Speaker Henderson

and Speaker Cannon had the advantage of being advised by one of the most skillful parliamentarians in this country, the present Member from Maine, Mr. Hinds.

Let me interject that the Senator from Michigan [Mr. FERGUSON] sought to rely on some rulings from Hinds' Precedents. I read further:

All four of these Speakers, three Republicans and one Democrat, have passed on this question, and they have all ruled that where everything after the enacting clause is stricken out and a new bill substituted, it gives the conferees very wide discretion, extending even to the substitution of an entirely new bill. The Chair will have three of these decisions read, and will have the decision of Speaker Cannon incorporated into this opinion, because the question ought to be definitely settled during the life of this Congress at least.

The Speaker then directed the Clerk to read sections 6421, 6423, and 6424 of Hinds' Precedents, and concluded:

In view of this long line of decisions by illustrious Speakers, the Chair overrules the point of order of the gentleman from Illinois. (Cannon's Precedents, vol. 8, sec. 3263).

Mr. CASE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CASE. Will the distinguished Senator say whether all those precedents were prior to the enactment of the Reorganization Act of 1946?

Mr. RUSSELL. I was giving the 1911 precedent as a guiding precedent, and before I conclude my remarks I intend to read from an identical ruling of a distinguished Republican Speaker of the House, Hon. JOSEPH MARTIN, of Massachusetts, in which he followed this precedent in 1947 after the adoption of the Reorganization Act.

Mr. CASE. In connection with a matter on all fours with the pending question?

Mr. RUSSELL. Yes, Mr. President, this is not from any college professor who has written a book on the rules of Congress and the way in which they should be applied. I was much interested in the learned statement read by the Senator from Michigan [Mr. FERGUSON] from a college professor who had written a book on the way Congress should be operated.

I am reading from rulings of men who spent their lives, we might say, in the Congress, and who are very eminent men.

On May 9, 1924, the conference report on H. R. 5995, an immigration bill, was before the House of Representatives. Mr. ADOLPH J. SABATH, of Illinois, made a point of order that the conferees had exceeded their jurisdiction by inserting a certain proviso. Mr. SABATH argued that under the House bill the legislation would have gone into effect July 1, 1924; under the Senate bill it would have become effective immediately; and that the conferees by delaying the date until March 1, 1925, had gone beyond the dates in dispute between the two Houses.

They had extended beyond the date in either the House bill or the Senate bill.

Mr. John E. Raker, of California, made the further point of order, based on the

same proviso, that the request that the President negotiate with the Japanese Government was not germane to the bill passed by the House or to the substitute inserted by the Senate.

The Speaker in passing on the first point of order differentiated between precedents in which individual items were at issue and the present case in which all after the enacting clause had been stricken out, and said:

The first point made by the gentleman from Illinois, it seems to the Chair, is thoroughly disposed of by the decision of Speaker Clark, quoted in the Manual. It says:

"And it has been held so often and so far back and by so many Speakers that where everything after the enacting clause is struck out the conferees have carte blanche to prepare a bill on that subject, that it seems to the Chair that question is no longer open to controversy."

The Chair on that ground overrules the point of order.

As to the second point of order, involving a question of germaneness, the Speaker held:

But it seems to the Chair that inasmuch as this report terminates the understanding referred to on July 1, this provision extending it to March 1, 1925, and at the same time asking that the President meanwhile shall negotiate to abrogate it, which may possibly terminate it sooner, that makes it clearly germane to the subject, and the Chair overrules the points of order. (Cannon's Precedents, vol. 8, sec. 3265.)

Mr. President, the rule which has been adopted, section 3, was undoubtedly intended as a limitation upon the power of the conferees.

The identical question was raised on June 4, 1947, by Representative HOFFMAN of Michigan, with reference to a conference report on the Taft-Hartley bill. Mr. HOFFMAN made this point of order:

Mr. HOFFMAN. Mr. Speaker, the report is not in order for the following reasons:

Only those matters which were in disagreement between the two Houses were before the conferees and the conferees have changed the text heretofore agreed to by both Houses; and

The report inserts additional matter which, even though germane, the conferees had no authority to insert.

That is the question that is raised here. No one contended that the change was not germane. It was said the conferees did not have the authority to insert the additional matter.

The Speaker of the House, Hon. JOSEPH MARTIN, of Massachusetts, presiding then, handed down the following ruling:

The SPEAKER. This is not a new point of order. It has been many times presented to the House and there are many decisions relative to what the gentleman from Michigan contends. The decisions on this question date back practically more than 100 years, and precedents have been established on several similar points of order. When either branch of Congress strikes out all after the enacting clause of a bill of the other there is unusually wide latitude permitted for the conferees to work on to secure a meeting of the minds between the two bodies. There is no question in the mind of the Chair but what there is no new matter worked here. It is all contained in one or the other of the two bills which were sent to conference.

In that connection the Chair wishes to read a previous decision which was made by

the distinguished gentleman from Texas [Mr. RAYBURN], former Speaker of the House, on March 27, 1945, when the mobilization of civilian manpower bill conference report was under consideration. The gentleman from Texas [Mr. RAYBURN] at that time when a similar point of order was raised stated:

"This is an old question. The Chair recalls that this question was originally passed upon by Mr. Speaker Henry Clay on the 23d of June 1812. It was passed upon, and the Chair has before him the specific question, by Mr. Speaker Colfax on March 3, 1865, in which Mr. Speaker Colfax held:

"Where one House strikes out all of the bill of the other after the enacting clause and inserts a new text, and the differences over this substitute are referred to conference, the managers have a wide range of discretion in incorporating germane matters and may even report a new bill on the subject."

Mr. Speaker Clark on June 12, 1917, held: "Where one House has amended the bill of the other House by striking out all after the enacting clause and substituting a new text, the conferees have the entire subject before them and may report any germane bill."

"The Chair might state that that decision was followed by Mr. Speaker Gillett in the early 1920's and by Mr. Speaker Longworth between 1925 and 1931."

This is the ruling by Mr. Speaker MARTIN:

The Chair is convinced that the conferees have followed well-established precedents and therefore overrules the point of order.

That was on June 4, 1947, after the adoption of the rule.

Mr. President, the majority of the Senate can protect themselves against any conferees. I am heartily in favor of the rule banning the injection of new matter into conference reports, but having served on a number of conference committees I realize, as other Senators realize, that reports are the result of compromise. It is very seldom, when any complicated provision goes to the conference between the two Houses that the conferees of either House can retain in the conference report, in their entirety, all the provisions contained in the bill passed by the body which they represent.

The Senator from Michigan [Mr. FERGUSON] argued that sustaining the ruling would tend to thwart all 96 Senators. Of course, it could not do anything of the kind. A vote can be taken on an appeal from the decision of the Chair. After that, if Senators are not satisfied with the report, they can vote against it. If all Senators are present, 49 can defeat the report. If only a bare quorum is present, 25 can defeat it.

Mr. SALTONSTALL. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. SALTONSTALL. I agree entirely with the Senator that under ordinary circumstances conferees should not go beyond the limits of the House and Senate versions of the bill. I should like to point out a matter to the Senator, and ask him to say in his own language if he does not agree with me. He was one of the conferees on the mutual-aid bill, as I was. In this instance the House and the Senate differed in the amount of economic aid for Europe under title I. They differed respecting the amount of military aid for Europe under title I. They agreed on

the 5 percent transferability provision. But I call the Senator's attention to the fact that the conferees got together and changed the figures for the military aid and for the economic aid. The conferees changed the transferability figure from 5 percent to 10 percent. That percentage figure of 10 percent goes directly to the percentage of the totals. Therefore the percentage figure could not be considered in and of itself without considering the changes brought about by the conferees in the figures allowed for military aid and for economic aid.

I cite to the Senator that that is not so broad a change, if one may so refer to it, as in the cases the Senator has cited, where only one figure was involved. Here there is a relation between the two sets of figures. One set of figures was changed. The percentage figure was not changed. But certainly in getting together on the figures which were changed the conferees might well be said to be entitled to change the percentages that related to them.

Mr. RUSSELL. I appreciate the very able statement made by the Senator from Massachusetts. He has stated better than I the arguments I undertook to make yesterday, that the principal issues between the conferees were the administrative provisions and the amounts, that the section in question was inextricably involved with administration, and that the final figures arrived at were only incidental thereto.

For my part I did not approve of the action of the conferees on the part of the Senate in receding on the economic aid provision, but I have never yet sat in a conference committee where I could get all I wished. However, I feel much better about it in an instance of this kind, when we are dealing with an authorization, as it will be necessary yet to enact an appropriation measure to apply to the authorization. The Senate will have a new opportunity at another date to pass upon this matter when the appropriation bill is before the Senate, without delaying the adjournment of the Senate by technicalities of the nature now brought up which, in my opinion, are entirely without merit.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. SALTONSTALL. While it is not really a question involved in the appeal, the practical reason for the conferees 5 percent to 10 percent which was one of the last acts of the conferees, was the fact that the conferees became more and more strongly of the belief that it might well be that the aid which we are giving to Europe could be made cheaper and more productive by changing the percentage, and perhaps giving a little more leeway to the ECA side, which the Senate reduced, than we had previously thought we should when the Senate first debated the bill. That is the practical reason.

Mr. RUSSELL. That might have motivated some of the conferees. I may say it undoubtedly did.

Mr. President, as I have said, there is no reason to undertake, by the technicality which has been raised, to upset

the conference report. The Senate will have an opportunity to pass upon the subject again in connection with the appropriation bill, subject to limitations within the rule of the Senate. In my judgment the action of the conferees was wholly in accord with the unbroken line of precedents by the Presiding Officers of the two bodies of Congress, as well as with the amendment to rule XXVII.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MONRONEY. I quite agree with the Senator from Georgia that the unbroken line of precedents, until 1946, are exactly as he says they are, but it was to correct the custom of striking out everything after the enacting clause of a bill and inserting a substitute that the change was made in the rule. I should like to ask the Senator if he would explain to the Senate the meaning of the language:

But they may not include in the report matter not committed to them by either House.

As I understand that language of the rule, it means that matters not in disagreement between the two Houses, paragraphs which are identical in their language and in their meaning and in their total, cannot be subject to conference.

Mr. RUSSELL. I do not construe that language so narrowly. I construe it to mean that the conferees cannot write into the bill an entirely new proposal which was not contained in either the House or the Senate version of the bill. I do not believe that that language means that where there are similar clauses in the House bill and the Senate bill, and because of the rewriting of the bill neither of them is applicable, no clause of minor import can be rewritten. The Senator did not read the last line of the rule, which is:

They may, however, include in their report in any such case matter which is germane modification of subjects in disagreement.

Mr. MONRONEY. In disagreement.

Mr. RUSSELL. That is correct.

Mr. MONRONEY. Was the total amount in disagreement?

Mr. RUSSELL. The total amount was in disagreement.

Mr. MONRONEY. Was the percentage in disagreement?

Mr. RUSSELL. No; that was not in disagreement.

Mr. MONRONEY. Like the distinguished Senator from Massachusetts [Mr. SALTONSTALL], I should like to see the bill make adequate provision for economic aid. I think it is most important. However, I believe it is also important to consider the matter of setting a precedent, when only one precedent has been set with regard to this rule since 1946.

Mr. RUSSELL. That is the only time the question has been raised in either body. The question was decided on all fours with the contentions which I have made. If the question has been considered only once, we are fortunate to

have one precedent. There has been only one precedent since 1947.

Mr. MONRONEY. I believe that the reason the question has not arisen is that conference committees have tried not to go beyond the matters in disagreement between the two Houses.

Mr. RUSSELL. This report is more nearly in line with the matters submitted to the conferees than are many conference reports which are approved.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Idaho.

Mr. DWORSHAK. The Senator from Georgia cited several rulings which he claims authorize the conferees to make a compromise with respect to any provision in the bill. Will the Senator explain what compromise was made between the conferees on the part of the Senate and the conferees on the part of the House so far as the figure 5 is concerned, which was the identical figure which appeared on both bills, in the same section? What compromise was made in that regard?

Mr. RUSSELL. The Senator from Idaho has served in both bodies. I would expect him to understand that when all after the enacting clause is stricken out and an entirely new bill is written, all the matters in both bills are in conference. The Senator from Idaho has undoubtedly served on conference committees during his tenure, in cases in which all after the enacting clause had been stricken out and entirely new bills had been written, in order to effect adjustments of the views of Members of the House and Members of the Senate.

Mr. DWORSHAK. Does the Senator then contend that there was a disagreement between the House and Senate with respect to the figure 5, as contained in section 101 (b)?

Mr. RUSSELL. If the Senator draws the question down to such a narrow limitation, the conferees could not even correct a grammatical error in a bill which entirely perverted the sense of both bodies. No such rule has ever been applied.

Mr. DWORSHAK. Mr. President, will the Senator further yield?

Mr. RUSSELL. I yield.

Mr. DWORSHAK. The Senator has not yet explained the compromise which was made with respect to the figure 5, which appeared in both bills.

Mr. RUSSELL. If the Senator wishes to confine himself to the figure 5, he may do so. I insist that the figure 5 was entirely incidental to the main issues in the bill, which were the administrative provisions and the lump sums authorized. The change in this instance is no more material than would have been the change of the word "these" to "those."

Mr. CASE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from South Dakota.

Mr. CASE. Would not the Senator agree to the principle that the domain of the conferees is the area of disagreement?

Mr. RUSSELL. I beg the Senator's pardon?

Mr. CASE. Would not the Senator agree to the principle that the domain of the conferees is the area of disagreement between the two bodies?

Mr. RUSSELL. I understand it to be the high purpose of all conferees to endeavor to write legislation by eliminating differences between the two bodies.

Mr. CASE. In this case the precedent which the distinguished Senator has cited, involving the decision of Speaker MARTIN in 1947, dealt with language and not with figures.

Mr. RUSSELL. Oh, yes. I understand that those who are complaining are mesmerized by the figure 5. But I insist that that is language, just as any other word in the conference report is language. The argument with respect to the figure 5 has no more cogency than if the figure had been a word.

Mr. CASE. The junior Senator from South Dakota does not feel mesmerized by the figure 5, but he agrees with what the Senator from Massachusetts said a little while ago, and what he understood the distinguished Senator from Georgia to say, namely, that we must interpret the 5 percent in its application to the total figure.

Mr. RUSSELL. That is correct.

Mr. CASE. We must relate the 5 percent to the total figure.

That brings up this question: The House agreed to a 5 percent figure on a total amount for military aid which would permit the transfer of \$251,000,000. The Senate agreed to a total figure for military aid which would have permitted the transfer of approximately \$250,000,000, or about \$1,000,000 less. The conferees apparently could not agree whether the amount should be \$250,000,000 or \$251,000,000, so they said, "We will modify the percentage. We will make it 10 percent, which will permit the transfer of \$502,000,000." I do not see how that is a compromise.

Mr. RUSSELL. I heard the Senator's able argument on that subject earlier in the day.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MAYBANK. I should like to ask the distinguished Senator from Georgia exactly what the status of the Export-Import Bank is under the conference agreement. There was no reference in either the Senate or House bill to membership on the board of directors of that bank. Under section 501, subparagraph (3) it is provided that the Director for Mutual Security shall be a member of the board of directors of the bank. I voted not to recommit the bill, because I can understand the great difficulty which the distinguished Senator from Georgia and other Senators have had in conference. However, I should like to make a record here. I do not want to see the Export-Import Bank interfered with by the Director of Mutual Security in the making of proper loans.

The reason I raise the question is that only today the bank made a large loan to West Germany, involving the purchase of cotton. The loan will be announced tomorrow. I have talked with the bank officials and they have stated

that it is quite all right for me to refer to it today.

I merely wish to know what check the Director for Mutual Security is to have upon the Export-Import Bank. The provision to which I refer was not in the House bill or in the Senate bill, but was placed in the bill in conference. I talked with the distinguished Senator from Texas [Mr. CONNALLY], and he stated that the effort would be to maintain the best possible supervision. I wish to make certain that there is no interference with the Export-Import Bank, or with loans which it has made, by someone placed on the board by a conference report.

Mr. RUSSELL. The Senator from Texas could answer that question better than I can.

Mr. MAYBANK. I spoke to him about it.

Mr. RUSSELL. I was not able to attend all the meetings of the conferees. I do recall some discussion about the loans. The violent disagreement between the House and the Senate was over the House provision which required whoever administered the funds to make 20 percent of whatever fund was arrived at in the form of loans rather than in the form of grants, as provided in the Senate bill. The Senator from Georgia felt very strongly, though he was representing the Senate in the conference, that there should be provision for some of these funds to be handled as loans rather than grants.

It was finally agreed that 10 percent of the total amount should be handled in the form of loans. In the course of the discussion it was pointed out that under existing law loans which were made under a prior act were handled by the Export-Import Bank. As I recall, one of the conferees suggested that inasmuch as the Administrator would be charged with the definite duty of lending more than \$100,000,000, and would be further charged with the strongest possible injunction to lend as much as possible of the remaining economic aid, he should be permitted to sit on the board of the Export-Import Bank for the purpose of advising with respect to the need for such loans. That is my recollection. I wish to absolve myself quickly of any intention to interfere with any cotton loans.

Mr. MAYBANK. I would not suggest that the distinguished Senator would do that. However, I do suggested that if the ECA and Marshall-plan loans, all of which we voted to discontinue within the next couple of years, are to be transferred to the Export-Import Bank, we shall not have much of an Export-Import Bank, even though only 10 percent of the \$1,000,000,000 additional which Congress authorized only last week is involved. If the aid officials are to sit on the board of a business bank and interferes with private business, the entire structure of the Export-Import Bank will be wrecked.

Mr. RUSSELL. Mr. President, I do not recall how many members they said they wanted on the Export-Import Bank.

Mr. MAYBANK. I shall be glad to give the information.

Mr. RUSSELL. I am not defending that provision, but I doubt very much that this one man could override the other members.

The VICE PRESIDENT. The Senate will be in order.

Mr. MAYBANK. At the present time the Board is composed of a chairman, three full-time members, and the Secretary of State. Under this bill the Director for Mutual Security would be placed above the Secretary of Commerce, and the Secretary of the Treasury, insofar as he will be on the Board of Directors of the Export-Import Bank and on the Advisory Council while the Secretaries are only on the Advisory Council. That is what section 501 (3) would, in effect, do. I want to call the attention of the Senate to what the conference bill provides. If we are to make the policies and the operations of the Export-Import Bank subject in part to the relief agency we might as well go the whole way and eliminate or reorganize the Export-Import Bank. I know it is not the intention of the Senator from Georgia or the chairman of the Foreign Relations Committee to do so. I want the RECORD to show that that is what could be done, at least to the extent of 10 percent, under the conference report. That subject was never brought up in the House, and it was never brought up in the Senate. I think a point of order can validly be raised against the report for this reason. I understand that the question will be raised in the House. I wanted to make it clear on this side of the Capitol.

Mr. FERGUSON. Mr. President, the Senator from Michigan does not consider the question before the Senate to be a technicality. It is a very important and elementary question of procedure. There is no doubt that prior to 1946 there were at least three strong precedents, involving the Agricultural Adjustment Act of 1938, the Transportation Act of 1940, and the Surplus Property Act of 1944, to the effect that on a substituted bill the conferees were permitted to delete matters agreed to and include new matters.

But let me refer again to what the Committee on the Organization of Congress—the Monroney-La Follette Committee—had to say. We can see from its report, as it sought to plug up a glaring loophole in the rules, why the distinguished Senator from Oklahoma [Mr. MONRONEY] was so much concerned and why he asked his questions.

Mr. RUSSELL. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. Yes; I am glad to yield.

Mr. RUSSELL. The distinguished Senator from Oklahoma was one of the co-authors of the Reorganization Act.

Mr. FERGUSON. That is correct.

Mr. RUSSELL. He played a very large part in the enactment of it.

Mr. FERGUSON. That is correct.

Mr. RUSSELL. The Senator from Georgia was a very humble member of the committee which wrote the Reorganization Act. I may say that I went on that committee principally because of my interest in the rules of the Senate. I never would have placed any such in-

terpretation on the rule as was voiced by the Senator from Oklahoma. I say that as a humble member of the committee, and not as one of the coauthors of the legislation.

Mr. FERGUSON. I appreciate the remarks of the Senator from Georgia. I should like to read from the committee report. On page 8 of the report entitled "Organization of the Congress," I read:

7. LIMITATION OF CONFERENCE REPORTS

Recommendation: That conferees of the two Houses be limited to adjustment only of actual differences in fact between the two Houses and that matters on which both Houses are in agreement be not subject to change in conference.

That is printed in heavy black type. There follows:

Considerable testimony regarding the introduction by conferees of new material into conference reports, and the elimination or substantial change of legislation agreed to by both Houses, was presented during our committee's hearings. While the standing rules are clear regarding the limitation of conferees to the disagreements between the two Houses, parliamentary procedures make it possible for conferees completely to rewrite legislation substantially agreed upon in both Chambers.

This is done by one House striking everything after the enacting clause, substituting one over-all amendment, and thus technically placing everything in the bill in disagreement and therefore making it subject to complete revision by the conferees. This is clearly not the intent of the rule on conferences.

Therefore, your committee recommends that rules governing conferences be clarified and enforced so as to permit consideration only of sections or parts of a bill on which the Houses have, in fact, disagreed and to forbid conferees to change those parts of legislation agreed to by both Houses.

In other words, this joint committee recommended changing the rule with reference to a substitute bill. But how is that recommended change in the rule being interpreted? I read from page 12681 of the CONGRESSIONAL RECORD for yesterday. The Vice President, in making the ruling against which I have appealed, stated:

The rule adopted in 1947 as a part of the Reorganization Act, and made a part of the rules of the Senate, was in a sense intended to modify that part of Hinds' Precedents to which the Chair has referred, in which it was held that the conferees could practically write a new bill when the language of one House was stricken out and the other House wrote an entirely new bill.

I read section 135 of the Reorganization Act:

SEC. 135. (a) In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House. They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

(b) In any case in which the conferees violate subsection (a), the conference report shall be subject to a point of order.

In other words, there would have been no need for passing the new law in 1947 if we were to allow an alteration and a change in a situation where there was

agreement between the two Houses, such as we have in the case before the Senate. With reference to subsection (b) of section 101 of the conference report, what would be the limit if we were allowed to change the percentage figure? There would be no limit on what could be done under the bill. It has been changed from 5 to 10 percent. It could have been changed to 100 percent, according to the Chair's ruling.

The 5 percent referred to in section 101 (b) in both bills would only allow a transfer of \$251,400,000 of military aid and \$52,000,000 of economic aid, so far as the amounts provided by the House are concerned. In the Senate bill the transfer, at 5 percent, could be \$250,317,500 of military aid and \$44,025,000 of economic aid.

What do we find now? We always thought that if there were two limits in a bill, the top and the bottom figures were controlling, and that it was not possible to go above the ceiling or below the floor. This is what we find the 10 percent does: It permits a transfer from military aid of \$502,800,000, instead of \$251,400,000, which is exactly double the original maximum amount as it was provided in the House bill. What is the situation with reference to economic aid? They allow a transfer of \$102,200,000 instead of \$52,000,000.

I say that this is a bad precedent. If the Senate votes to sustain the ruling of the Chair we will have upon the records of the Senate the first interpretation since the passage of the law, and the language in section 135 of the Reorganization Act would mean absolutely nothing. We would be going back to where we were before that act sought to clamp down on the powers of conference committees. In other words, we marched up the hill; we passed a law. Now we are all marching down the hill again. I say that is not what the Senate of the United States should be doing.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate? Those who favor the decision of the Chair standing as the judgment of the Senate will vote "yea"; those who are opposed will vote "nay." The yeas and nays have been ordered. The clerk will call the roll.

Mr. BREWSTER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BREWSTER. I want to vote to override the ruling of the Chair. How shall I vote?

The VICE PRESIDENT. In that case the Senator from Maine will have to vote "nay."

The clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from Kentucky [Mr. CLEMENTS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from

Missouri [Mr. HENNING], the Senator from North Carolina [Mr. HOEY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I announce that on this vote the Senator from Delaware [Mr. FREAR] is paired with the Senator from Maine [Mrs. SMITH]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Maine would vote "nay."

The Senator from Missouri [Mr. HENNING] is paired on this vote with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Missouri would vote "yea," and the Senator from Utah would vote "nay."

I announce further that if present and voting, the Senator from Kentucky [Mr. CLEMENTS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Montana [Mr. MURRAY] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Maine [Mrs. SMITH] are absent by leave of the Senate.

The Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], the Senator from Missouri [Mr. KEM], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Maryland [Mr. BUTLER] and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness.

The Senator from Nebraska [Mr. WHERRY] is necessarily absent.

On this vote the Senator from Utah [Mr. BENNETT] is paired with the Senator from Missouri [Mr. HENNING]. If present and voting, the Senator from Utah would vote "nay" and the Senator from Missouri would vote "yea."

On this vote the Senator from Maine [Mrs. SMITH] is paired with the Senator from Delaware [Mr. FREAR]. If present and voting, the Senator from Maine would vote "nay" and the Senator from Delaware would vote "yea."

The yeas and nays resulted—yeas 41, nays 36, as follows:

YEAS—41

Benton	Johnson, Tex.	O'Connor
Chavez	Kerr	O'Mahoney
Connally	Kilgore	Pastore
Ellender	Knowland	Robertson
Fulbright	Lehman	Russell
George	Lodge	Saltonstall
Green	Magnuson	Smathers
Hayden	McClellan	Smith, N. J.
Hill	McFarland	Sparkman
Holland	McKellar	Stennis
Humphrey	McMahon	Thye
Hunt	Moody	Underwood
Ives	Neely	Wiley
Johnson, Colo.	Nixon	

NAYS—36

Brewster	Dworshak	McCarthy
Bricker	Ecton	Millikin
Bridges	Ferguson	Monroney
Butler, Nebr.	Gillette	Morse
Cain	Hendrickson	Mundt
Capehart	Hickenlooper	Schoeppel
Carlson	Jenner	Smith, N. C.
Case	Johnston, S. C.	Taft
Cordon	Langer	Watkins
Dirksen	Long	Welker
Douglas	Malone	Williams
Duff	Maybank	Young

NOT VOTING—19

Aiken	Flanders	McCarran
Anderson	Frear	Murray
Bennett	Hennings	Smith, Maine
Butler, Md.	Hoey	Tobey
Byrd	Kefauver	Wherry
Clements	Kem	
Eastland	Martin	

The VICE PRESIDENT. On this question the yeas are 41 and the nays are 36.

So the decision of the Chair stands as the judgment of the Senate.

The question now is on agreeing to the conference report.

Mr. SALTONSTALL. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LEHMAN. Mr. President, I ask unanimous consent that I may address a question to the distinguished chairman of the Foreign Relations Committee.

The VICE PRESIDENT. Will the Senator from Texas give heed to the Senator from New York?

Mr. LEHMAN. Mr. President, I should like to refer to section 101 (a) 2, the section which authorizes ECA to make an allocation of \$10,000,000 for the encouragement of arrangements for the transfer and emigration of surplus populations, including refugees from behind the iron curtain to areas where they can be absorbed and usefully employed.

The question I should like to ask the distinguished chairman is: Did the conferees, in their consideration of this provision, indicate or have in mind that this is a direction to the ECA, and not merely a suggestion? In other words, was it not the intent of the conferees, as I am sure it was the intent of the House and the Senate, that this was an important part of the Mutual Security Program, and not merely something which might be done if there were funds left over which were not otherwise committed?

Mr. CONNALLY. Is the Senator still asking a question?

Mr. LEHMAN. Yes.

Mr. CONNALLY. I forgot the first part of it, before the Senator got to the last part.

Mr. LEHMAN. Shall I repeat it?

Mr. CONNALLY. No; do not repeat it. I know what the Senator means.

Mr. LEHMAN. Mr. President, may I repeat the whole question?

Mr. KNOWLAND. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. KNOWLAND. The Senate is not in order, and we can hear neither the question nor the answer.

The VICE PRESIDENT. The Senator from New York will suspend until the Senate is in order. Senators who are compelled to converse will please retire from the Chamber. The Senator from New York.

Mr. LEHMAN. I shall repeat the concluding sentence, so that the question may be very clearly before the distinguished Senator from Texas: Was not the provision in question an important part of the mutual security program, and not merely something which might be done if there were funds left over which were not otherwise committed?

I ask this question because I have understood that the ECA has not felt itself instructed to do what is directed, and has indicated its view that this provision of the act was permissive to the point of being purely advisory.

Mr. CONNALLY. No; I will say it was intended by the conferees that the money should be used for the purposes indicated.

Mr. LEHMAN. I thank the Senator.

Mr. BENTON. Mr. President, I ask unanimous consent to have printed in the body of the Record, before the vote on the conference report, an article entitled "Prolabor Aid Rider Is Surprise to Unions" written by Sam Stavisky, and published in the Washington Post of Sunday, September 30, 1951.

There being no objection, the article was ordered to be printed in the Record, as follows:

PROLABOR AID RIDER IS SURPRISE TO UNIONS
(By Sam Stavisky)

Congress has quietly tacked a proviso to its seven and one-half billion dollar foreign aid bill aimed at weakening cartels and Communist unions abroad and at encouraging trade competition and free labor unions.

This unique action on the part of Congress came last week even as the Nation's labor leaders were clamoring for assurance that workers abroad, as well as the employers, shall share the benefits of the new rearmament program.

Up to now, America's recovery dollars, chiefly through ECA, have not "trickled down" adequately—the rich have been getting richer, but the workers have kept on getting low wages. AFL Boilermakers' President Charles J. MacGowan, told the AFL convention last week. He is just back from a tour of Europe.

Despite their calls for action, most labor leaders were taken by surprise when Senate-House conferees, in their compromise aid bill, approved the Benton amendment, which gives congressional moral support to the labor leaders' demand.

In fact, the conferees—whose report is expected to be cleared by both Chambers this week—strengthened the Benton amendment.

Early in September, when the mutual security aid program was being debated in the Senate, Senator WILLIAM BENTON, Democrat, of Connecticut, came up on the floor with his anticartel, anti-Communist, pro-free-enterprise, pro-free-union amendment.

BENTON's proposal came as a surprise, and appeared to have little chance of acceptance. It was attacked by leading Republicans—including Senator ROBERT A. TAFT, Republican, of Ohio—as meddling in the internal affairs of other countries. It was also opposed by Senator TOM CONNALLY, Democrat, of Texas, on the ground that the issue hadn't come up in the Senate Foreign Relations Committee's long hearings on the bill.

However, BENTON quickly rallied behind his amendment the effective support of Senators HUBERT HUMPHREY, Democrat, of Minnesota, RUSSELL LONG, Democrat, of Louisiana, BLAIR MOODY, Democrat, of Michigan, HERBERT H. LEHMAN, Democrat, of New York, and IRVING IVES, Republican, of New York. The Senate adopted the proviso 36 to 31.

Last week, the conferences widened the Benton amendment, originally limited to European nations, to cover all assisted countries.

There are no teeth in the Benton provision, only an expression of purpose. Even so, its champions believe it will help encourage competition in business abroad, and with it increased productivity, higher wages, lower prices, and a higher standard of living for the people abroad.

The cartels, which are associations of employers, generally seek to limit production and thereby assure high prices for their products. The unions overseas too often play along with the cartels, partly out of economic weakness, partly out of fear of unemployment stemming from overproduction.

The Benton amendment would encourage increased productivity, and through boosting free collective bargaining, encourage labor to back higher production and at the same time get a bigger share of the returns.

Another effect coming out of the Benton proviso is to give legislative approval to ECA's current productivity drive in Europe.

Under this program, expected to continue under MSA, individual employers are to be loaned money and technical assistance in increased production so long as they agree, by contract, to share the benefits with the workers and consumers.

The VICE PRESIDENT. The question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll. The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Missouri [Mr. HENNING], the Senator from North Carolina [Mr. HOEY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Missouri [Mr. HENNING], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Montana [Mr. MURRAY] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Maine [Mrs. SMITH] are absent by leave of the Senate.

The Senator from Utah [Mr. BENNETT], the Senator from Missouri [Mr. FLANDERS], the Senator from Pennsylvania [Mr. KEM], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Maryland [Mr. BUTLER] and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness.

The Senator from Nebraska [Mr. WHERRY] is necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], and the Senator from Maine [Mrs. SMITH] would each vote "yea."

The result was announced—yeas 56, nays 21, as follows:

YEAS—56

Benton	Connally	George
Brewster	Douglas	Gillette
Bridges	Duff	Green
Cain	Ellender	Hayden
Carlson	Fulbright	Hendrickson

Hill	McCarran	Pastore
Holland	McClellan	Robertson
Humphrey	McFarland	Russell
Hunt	McKellar	Saltounstall
Ives	McMahon	Smathers
Johnson, Colo.	Millikin	Smith, N. J.
Johnson, Tex.	Monroney	Sparkman
Kerr	Moody	Stennis
Kilgore	Morse	Taft
Knowland	Mundt	Thye
Lehman	Neely	Underwood
Lodge	Nixon	Watkins
Long	O'Connor	Wiley
Magnuson	O'Mahoney	

NAYS—21

Bricker	Eaton	Maybank
Butler, Nebr.	Ferguson	McCarthy
Capehart	Hickenlooper	Schoeppel
Case	Jenner	Smith, N. C.
Cordon	Johnston, S. C.	Welker
Dirksen	Langer	Williams
Dworetshak	Malone	Young

NOT VOTING—19

Aiken	Eastland	Martin
Anderson	Flanders	Murray
Bennett	Frear	Smith, Maine
Butler, Md.	Hennings	Tobey
Eyrd	Hoey	Wherry
Chavez	Kefauver	
Clements	Kem	

So the report was agreed to.

REIMBURSEMENT OF NAVAL PERSONNEL FOR CERTAIN EXPENSES INCURRED—BILL PASSED OVER

The VICE PRESIDENT. The Chair lays before the Senate a bill which was passed over on yesterday, with a unanimous-consent agreement to take it up today. The clerk will read the bill by title.

The CHIEF CLERK. A bill (H. R. 2737) to authorize the reimbursement of certain naval attachés, observers, and other officers for certain expenses incurred while on authorized missions in foreign countries.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 2737) to authorize the reimbursement of certain naval attachés, observers, and other officers for certain expenses incurred while on authorized missions in foreign countries, which had been reported from the Committee on Armed Services with an amendment, on page 1, line 8, after the word "them", to strike out "during the fiscal year" and insert "prior to March 2."

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I should like to ask the distinguished Senator from Mississippi [Mr. STENNIS] whether the following set of facts is correct:

First, that the Congress of the United States, in July of 1947, passed a bill providing that expenses incurred by naval officers for domestic help were not reimbursable in that no funds were to be available for that purpose; second, that shortly after the passage of the act the Navy Department, in defiance of the act of Congress, issued instructions that, despite the action of the Congress, the expenses of naval attachés and other naval officers abroad would be reimbursable?

Mr. STENNIS. Mr. President, in order to cover the subject matter involved

in those two occasions, I think a very brief statement on the bill will not only be necessary but will be in order.

The bill starts with the proposition that during the fiscal year 1948 there was a rider on an appropriation bill which prohibited any of the money appropriated therein for the Navy being used by attachés, observers, or other officers to maintain household servants in connection with entertainment and other functions. The provision did not apply to the Army; and the Air Force at that time was included in the Army.

The practice had been going on for years, and subsequent to the fiscal year 1948 the practice has been resumed and the matter has been taken care of in other legislation. So it is confined to the narrow period of 1948 and applies to the Navy alone.

After the proviso was placed in the bill the Navy gave it an interpretation which meant it would apply only to domestic affairs and would not apply to attachés in foreign countries. That situation went on for something like 6 months, when the General Accounting Office issued a direct ruling to the effect that the prohibition did apply to attachés and other officers in foreign countries. They were so notified, but continued to incur these expenses.

The bill as it passed the House provided for reimbursement for the entire year. The Armed Services Committee eliminated the funds after the officers were notified of the General Accounting Office decision. The only reason why the Armed Services Committee reported the bill was that some of the attachés were many miles from home and were not supposed to know what appropriation bills provided except as they were advised by their superiors in Washington, and as they had spent the money in good faith they were entitled to reimbursement. After the notice of the General Accounting Office as to its ruling they were bound by it and were not entitled to reimbursement.

Mr. SCHOEPEL. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. SCHOEPEL. I wanted to ask the distinguished Senator from Mississippi if it appeared that there was any element of bad faith.

Mr. STENNIS. It was a good-faith transaction all the way through, though it sets a bad precedent. The first impression of the committee was that it would not allow the money to be reimbursed, but it considered the transactions were in good faith, and that these men were in a foreign land and depended on rulings from the home office. The sum of \$42,000 is involved in the Senate amendment. The amount in the House bill is \$39,000.

Mr. DOUGLAS. Mr. President, while it is true that there was good faith on the part of the officers who were abroad, who were probably unaware of the provision in the Navy appropriation bill, does the Senator from Mississippi think there was good faith on the part of the Department of the Navy, which, after a very explicit law was passed, which is cited on page 4 of the Senate commit-

tee report, that no part of the appropriation should be used for any civil employee acting as a household servant of any Naval officer, issued an order saying things were to continue in the future as they had in the past? Does the Senator think that was good faith on the part of the Navy?

Mr. STENNIS. I do not think it was actually fraud, but I do not think it was acting in good faith. I thought those responsible within the Navy were subject to congressional reprimand, so to speak, for taking such an attitude, although at that time the argument was made that Congress merely attempted to cover a domestic situation rather than that in foreign lands.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. MORSE. Is it not true that after the Comptroller General handed down his first ruling, although the employees might be said to have been placed on notice, nevertheless the communication that went out to them from superior naval officers was to the effect that the superior naval officers were seeking a clarification and a modification or rescission of the order, and that the communication which the attachés received indicated to them that they could go ahead as before, and that is exactly what happened? Is it not also true that, after all, the money was expended by these attachés, and not by their superiors in the Navy, in Washington? Furthermore, is it not true that the Armed Services Committee, when it considered the subject, had before it Navy spokesmen and made it very clear that the committee did not approve of the action of the superior naval officers?

The VICE PRESIDENT. The time of the Senator from Mississippi has expired.

Mr. DOUGLAS. Mr. President, may I ask that the 5-minute rule be waived?

Mr. STENNIS. I think that the time was that of the Senator from Illinois.

The VICE PRESIDENT. The Senator from Illinois asked the Senator from Mississippi to explain the bill.

Mr. DOUGLAS. I ask unanimous consent that an additional 5 minutes be granted the Senator from Mississippi.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. STENNIS. The Senator from Oregon is correct. The answer is "Yes." The men in the outposts were not to blame. They were led to believe that the order of the General Accounting Office would be rescinded, and they went ahead and spent the money, but the Armed Services Committee did not allow it.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. STENNIS. I yield.

Mr. MORSE. Is it not also true that, while the Armed Services Committee unanimously voted that these men should not be reimbursed for any of their expenditures after March 2 of the year involved, because then they received a clear, final notice from their Navy superiors that their allowances could not be granted, the committee thought that

equity and justice to the men who did spend the money in good faith, justified them to be paid up to March 2?

Mr. STENNIS. Yes. The bill was ordered reported on the equitable considerations we thought due these attacked.

Mr. DOUGLAS. Mr. President, though the cost of the bill has been cut by the Armed Services Committee from \$89,905 to \$42,780, this is an illustration, though a small one, of action by executive agencies who believe that they can presume to disobey the laws of Congress. We have here a perfectly clear law passed by Congress, not an administrative rule at all, that whether abroad or at home, there shall be no cash allowance for services of domestic help. Yet the Navy went ahead and gave an order that the officers should disregard the act of Congress.

Mr. President, this may not seem to be a large measure, but it is an important one. The practice, if continued, will result in the administrative agencies within the Government disregarding basic laws of the country. In the period of national defense this is particularly important when we are granting huge sums to the armed services.

I should like to make two suggestions. The Navy Department has had authorized and appropriated for it billions of dollars—over \$15,000,000,000 for fiscal year 1952—some of which it will not spend during the current fiscal year. Why should it not bear some of the burdens of its own mistakes and its own errors instead of throwing them upon the taxpayers?

Therefore, my first suggestion is, why could we not authorize the payment of the sum of \$42,780 from the unexpended appropriations to the Navy for the current fiscal year, that is from monies appropriated to the Department of the Navy by the Defense Department Act for fiscal year 1952? That is the first suggestion.

My second suggestion is that I hope the Armed Services Committee will find the officer of the Navy who is responsible for the failure to carry out the intent of Congress in this case, and write him a letter of very definite rebuke, because it is about time that we taught these administrative agencies that they are the creatures of the people and not the lords of the people.

The VICE PRESIDENT. The question is on the engrossment of the amendment and the third reading of the bill.

Mr. DOUGLAS. Mr. President, is action to be taken by unanimous consent?

The VICE PRESIDENT. If there is objection to the bill, it will be passed over.

Mr. DOUGLAS. I object.

Mr. STENNIS. Will the Senator withhold his objection and yield to me for the purpose of answering the question so far as I can?

Mr. DOUGLAS. Yes, indeed.

Mr. STENNIS. With reference to the observation made by the Senator from Illinois about the Navy paying the amount of \$42,000 out of its own funds, I will say that the bill is merely an authorization measure. It does not

make appropriation for that purpose. The money would have to come out of money appropriated to the Navy and the Marine Corps.

So far as the question of rebuke is concerned, we could not agree to rebuke any individual until his particular side of the case, as to what happened, had been heard. We more or less heard the Navy, but not the individuals concerned. I, as one member of the committee, would certainly be in favor of rebuking anyone who was guilty of a conscious act in this regard, but only after hearing him, and if the facts so justified.

The VICE PRESIDENT. The question is on the engrossment of the amendment and the third reading of the bill.

Mr. DOUGLAS. Mr. President, I must regretfully object.

The VICE PRESIDENT. Objection is heard.

Mr. DOUGLAS. In making objection, I want to make it clear that I do not wish to have the officers who are to be reimbursed under this bill, who were undoubtedly unaware of the provision in the appropriation act, suffer for a mistake made by the Navy Department, for which they cannot be held responsible.

On the other hand, I do not wish to see the Navy escape with impunity.

Therefore, I intend to prepare an amendment to this bill, if it is legally feasible, to require that any reimbursements made under this bill be taken from funds appropriated to the Department of the Navy by the regular appropriation bill for fiscal year 1952. I hope that the Armed Services Committee will accept such an amendment, in which event I shall not object when this bill is considered in the future.

I also hope that the Committee on Armed Services will issue a sharp and unmistakable rebuke to the officer or official responsible for flouting the will of Congress.

Mr. MCFARLAND. Mr. President, yesterday evening unanimous consent was requested to consider bills which went to the foot of the calendar. I want to have made clear whether they shall be brought up under the 5-minute rule, or by motion, or otherwise. We had a call of the calendar yesterday. I wonder whether we are proceeding under the call of the calendar now. The unanimous-consent agreement did not set forth that they would be brought up under the call of the calendar.

The VICE PRESIDENT. The bills went to the foot of the calendar yesterday. Had they been reached they would have been acted upon under the 5-minute rule and under the rule relating to objections. Then the conference report was laid before the Senate. In the opinion of the Chair, that did not change the status of the bills remaining on the calendar.

The Senator from Illinois has objected to consideration of House bill 2737. The next bill will be stated.

MERGER OF NATIONAL BANKING ASSOCIATIONS AND STATE BANKS

The bill (S. 2128) to provide for the merger of two or more national banking associations and for the merger of State banks with national banking associa-

tions, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc. That the act entitled "An act to provide for the consolidation of national banking associations," approved November 7, 1918, as amended (U. S. C., title 12, secs. 33, 34, and 34a), is hereby amended by adding at the end thereof new sections 4 and 5 to read as follows:

"SEC. 4. (a) One or more national banking associations or one or more State banks, with the approval of the Comptroller, under an agreement not inconsistent with this act, may merge into a national banking association located within the same State, under the charter of the receiving association.

"(b) The merger agreement shall—

"(1) be agreed upon in writing by a majority of the board of directors of each association or State bank participating in the plan of merger;

"(2) be ratified and confirmed by the affirmative vote of the shareholders of each association or State bank owning at least two-thirds of the capital stock outstanding, at a meeting to be held on the call of the directors, after publishing notice of the time, place, and object of the meeting for four consecutive weeks in a newspaper with general circulation in the place where the association or State bank is located, and after sending such notice to each shareholder of record by registered mail at least 10 days prior to the meeting, except to those shareholders who specifically waive notice;

"(3) specify the amount of the capital stock of the receiving association which will be outstanding upon completion of the merger, the amount of stock (if any) to be allocated, and cash (if any) to be paid to the shareholders of the association or State bank being merged into the receiving association; and

"(4) provide the manner of disposing of any shares of the receiving association not taken by the shareholders of the association or State bank merged into the receiving association.

"If a merger shall be voted for at the called meetings by the necessary majorities of the shareholders of each association or State bank participating in the plan of merger, any shareholder of any association or State bank to be merged into the receiving association who has voted against the merger at the meeting of the shareholders, or has given notice in writing at or prior to the meeting to the presiding officer that he dissents from the plan of merger, shall be entitled to receive the value of the shares held by him if and when the merger shall be approved by the Comptroller. The value of the shares shall be ascertained, as of the date of the meeting of the shareholders of the association or State bank approving the merger, by an appraisal made by a committee of three persons, composed of (i) one selected by the vote of the holders of a majority of the stock, the owners of which are entitled to payment in cash; (ii) one selected by the directors of the receiving association; and (iii) one selected by the two so selected. The valuation agreed upon by any two of the three appraisers shall govern. If the value so fixed shall not be satisfactory to any dissenting shareholder who has requested payment, that shareholder may, within 5 days after being notified of the appraised value of his shares, appeal to the Comptroller, who shall cause a reappraisal to be made which shall be final and binding as to value of the shares of the appellant. If, within 90 days from the date of consummation of the merger, for any reason, one or more of the appraisers have not been selected, or the appraisers have failed to determine the value of the shares,

H. R. 804. An act for the relief of Sisters Marie DeRubertis, Agnese Cerina, Marianna Bonifacio, Dina Bonini, and Edvige Gasparini;

H. R. 901. An act to provide for the admission of Janet and Daisy Wong to the United States;

H. R. 1102. An act for the relief of Emilio Torres;

H. R. 1128. An act for the relief of Harvey McFarland and Laurance Anthony Warnock;

H. R. 1136. An act for the relief of Sister Natalie (Marie Palagyi) and Sister Alice (Elizabeth Slachta);

H. R. 1203. An act to authorize officers designated by the Secretary of the Air Force to take action on reports of survey and vouchers pertaining to Government property;

H. R. 1253. An act for the relief of Jack A. Witham;

H. R. 1420. An act for the relief of Dr. Eugen Jose Singer and Mrs. Frieda Singer;

H. R. 1463. An act for the relief of David Lee Harrigan;

H. R. 1598. An act for the relief of Hanoh Sarapanovschi (also known as Hanoh Charat), Gizela (Gizele) Sarapanovschi (nee Levy), and Philippe Sarapanovschi;

H. R. 1816. An act for the relief of Shoemon Takano;

H. R. 1818. An act for the relief of Hego Fuchino;

H. R. 2165. An act for the relief of Matthew Terry;

H. R. 2444. An act for the relief of James A. Vines;

H. R. 2459. An act for the relief of Ollie O. Evans, Jr.;

H. R. 2498. An act for the relief of Marianne and Michel Speelman;

H. R. 2562. An act amending section 437 (c) of the Internal Revenue Code;

H. R. 2621. An act for the relief of Mrs. Giulia Di Gaetano Coccia;

H. R. 2745. An act to amend section 2801 (c) (1) of the Internal Revenue Code;

H. R. 2807. An act for the relief of Stanislaw Poborski;

H. R. 2916. An act for the relief of Shizu Terauchi Parks;

H. R. 3026. An act for the relief of Joseph A. Ferrari;

H. R. 3128. An act for the relief of Elaine Dovico;

H. R. 3436. An act authorizing vessels of Canadian registry to transport grain between United States ports on the Great Lakes during 1951;

H. R. 3585. An act to authorize and direct the Administrator of General Services to transfer to the Department of the Navy certain property located at Decatur, Ill.;

H. R. 3818. An act for the relief of Yutaka Nakaeda;

H. R. 3895. An act for the relief of Ethel Cristeta Berner;

H. R. 3932. An act to provide vocational rehabilitation training for veterans with compensable service-connected disabilities who served on or after June 27, 1950;

H. R. 3965. An act for the relief of five sisters of the Franciscan Missionaries of Mary;

H. R. 4121. An act for the relief of Rafael Alemany;

H. R. 4127. An act for the relief of Mrs. Doris Ellen Young;

H. R. 4463. An act for the relief of Nadine Carol Heslip;

H. H. 4688. An act for the relief of Cecelia Wahls;

H. R. 4756. An act for the relief of George Francis Hammers; and H. R. 5013. An act to authorize the President to proclaim regulations for preventing collisions at sea.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 39 minutes p. m.)

the House adjourned until tomorrow, Wednesday, October 3, 1951, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

834. A letter from the Director of Civil Defense, the Commonwealth of Massachusetts, transmitting a letter stating that "under date of January 16, 1951, the Commonwealth of Massachusetts submitted a duly authenticated copy of an interstate civil defense compact as entered into and ratified by the State," pursuant to subsection 201 (g) of the Federal Civil Defense Act of 1950 (Public Law 920, 81st Cong.); to the Committee on Armed Services.

835. A letter from the Executive Secretary, National Security Council, Executive Office of the President, transmitting a letter relative to National Security Council Determination No. 9, pursuant to section 1302, Public Law 45 (Third Supplemental Appropriation Act, 1951); to the Committees on Appropriations, Armed Services, and Foreign Affairs.

836. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled, "A bill to authorize the Secretary of the Interior to investigate and report to the Congress on the conservation, development, and utilization of the water and related natural resources of Alaska"; to the Committee on Interior and Insular Affairs.

837. A letter from the Assistant Secretary of the Interior, transmitting copies of resolutions adopted by the Fono of American Samoa in its special session of August 22, 1951, and a letter of commendation of Governor Phelps; to the Committee on Interior and Insular Affairs.

838. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1952 in the amount of \$650,500 for the legislative branch (H. Doc. No. 247); to the Committee on Appropriations, and ordered to be printed.

839. A communication from the President of the United States, transmitting proposed supplemental appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws in the amount of \$910,911.05, together with such amounts as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchanges as may be necessary to pay claims in foreign currency (H. Doc. No. 248); to the Committee on Appropriations, and ordered to be printed.

840. A letter from the Director, Bureau of the Budget, transmitting a report that the appropriation to the Department of Labor for "Employees' Compensation Claims and Expenses, Bureau of Employees' Compensation, 1952 and prior years," for the fiscal year 1952, has been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation, pursuant to paragraph 2 of subsection (e) of section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

841. A letter from the Director, Bureau of the Budget, transmitting a report that the appropriation to the Department of Agriculture for "Salaries and expenses, Forest Service" (subappropriation "Fighting forest fires"), for the fiscal year 1952, has been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation, pursuant to paragraph 2 of subsection (e) of section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

842. A letter from the Director, Bureau of the Budget, transmitting a report that the appropriation to the Veterans' Administration for "National service life insurance," for the fiscal year 1952, has been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation, pursuant to paragraph 2 of subsection (e) of section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

843. A letter from the Director, Bureau of the Budget, transmitting a report that the appropriation to the Veterans' Administration for "Air Force, Army, and Navy pensions," for the fiscal year 1952, has been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation, pursuant to paragraph 2 of subsection (e) of section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

844. A letter from the Attorney General, transmitting copies of orders entered in cases where the ninth proviso to section 3 of the Immigration Act of February 5, 1917 (8 U. S. C. 136), was exercised in behalf of such aliens, pursuant to section 6 (b) of the act of October 16, 1918, as amended by section 22 of the Internal Security Act of 1950 (Public Law 831, 81st Cong.); to the Committee on the Judiciary.

845. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled, "A bill to authorize the Secretary of Agriculture to acquire, construct, operate, and maintain public airports in certain areas and for other purposes"; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RICHARDS: Committee of conference. H. R. 5113. A bill to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security (Rept. No. 1090). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BAKEWELL:

H. R. 5560. A bill to prohibit unreasonable suppression of information by the executive branch of the Government; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 5561. A bill to implement article I, section 7 of the Constitution; to the Committee on the Judiciary.

By Mr. FORAND:

H. R. 5562. A bill providing for the incorporation of the Franco-American War Veterans; to the Committee on the Judiciary.

H. R. 5563. A bill to amend the Tariff Act of 1930 (19 U. S. C. A., sec. 1001) so as to define the meaning of the words "clean content"; to the Committee on Ways and Means.

By Mr. FORD:

H. R. 5564. A bill to prohibit unreasonable suppression of information by the executive branch of the Government; to the Committee on the Judiciary.

By Mr. MARTIN of Iowa:

H. R. 5565. A bill relating to the amount of gross income which a dependent of a taxpayer may have without loss by the taxpayer of an income tax exemption for such de-

pendent; to the Committee on Ways and Means.

By Mr. McMILLAN:

H. R. 5566. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act; to the Committee on Education and Labor.

By Mr. ROGERS of Texas:

H. R. 5567. A bill to provide for the conveyance, to Potter County, Tex., of certain surplus lands located at the Veterans' Administration hospital near Amarillo; to the Committee on Expenditures in the Executive Departments.

By Mr. SCHWABE:

H. R. 5568. A bill for the relief of the State of Oklahoma; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. J. Res. 338. Joint resolution to direct the Secretary of the Army to replace the crosses which until recently marked the graves at the National Memorial Cemetery in Hawaii; to the Committee on Interior and Insular Affairs.

By Mr. WICKERSHAM:

H. J. Res. 339. Joint resolution to provide that Federal legislation which prohibits the employment of children during certain hours shall not apply with respect to the harvesting

of basic agricultural commodities; to the Committee on Education and Labor.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Resolution entitled "Resolution memorializing the Congress of the United States of America to pass legislation to incorporate the Franco-American War Veterans, Inc., passed by the General Assembly of the State of Rhode Island and Providence Plantations and approved by the Governor on the 24th day of September 1951; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAKEWELL:

H. R. 5569. A bill for the relief of Elmer George Reitmeyer and Johanna Mary Reitmeyer; to the Committee on the Judiciary.

By Mr. GOLDEN:

H. R. 5570. A bill for the relief of Paul Myung Ha Chung; to the Committee on the Judiciary.

By Mr. GOODWIN:

H. R. 5571. A bill for the relief of the widow and children of the late John E. LeCours; to the Committee on the Judiciary.

By Mr. PERKINS:

H. R. 5572. A bill for the relief of Harry M. Caudill; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

446. By Mr. DONDERO: Petition of citizens of Ferndale and Pleasant Ridge, Mich., urging the enactment of legislation providing that present military personnel be given proper credit to apply against the 24 months' service required under the present Draft Act; to the Committee on Armed Services.

447. By Mr. NORBLAD: petition of Mrs. Anna M. Lundquist of Gresham, Oreg., and 29 other citizens of the State of Oregon, urging enactment of legislation to prohibit alcoholic beverage advertising over the radio and television and in magazines and newspapers; to the Committee on Interstate and Foreign Commerce.

expenditures for fiscal 1952, I mean actual cash outlay.

Mr. TABER. The latest figures I have, going through my own figures or the President's statement and all I have gotten from the Joint Committee on Internal Revenue, is an estimate of about \$28,000,000,000 besides the \$10,000,000,000 for the military. Some of the things we have done have contributed to cut down the nonmilitary expenditures.

Mr. HARVEY. In other words, an estimated \$68,000,000,000 will be the total cash outlay during the fiscal year 1952?

Mr. TABER. I would think that would be a fairly good estimate unless military conditions get worse.

Mr. MAHON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50:

Page 70, line 21, insert:

"Sec. 630. In order more effectively to administer the programs and functions of the Department of Defense, the President, to the extent he deems it necessary and appropriate in the interest of national defense, may authorize within the Office of the Secretary of Defense 15 temporary positions for the fiscal year 1952 to be placed in grades GS-17 and GS-18 of the general schedule of the Classification Act of 1949 in accordance with the procedures and standards of that act. Not more than 8 of these positions shall be in grade GS-18. Such positions shall be additional to the number authorized by section 505 of that act."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 50, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Sec. 630. In order more effectively to administer the programs and functions of the Department of Defense, the President, to the extent he deems it necessary and appropriate in the interest of national defense, may authorize within the Office of the Secretary of Defense 10 temporary positions for the fiscal year 1952 to be placed in grades GS-17 and GS-18 of the general schedule of the Classification Act of 1949 in accordance with the procedures and standards of that act. Not more than five of these positions shall be in grade GS-18. Such positions shall be additional to the number authorized by section 505 of that act, and not more than four of these positions may be filled by promotion."

The motion was agreed to.

A motion to reconsider was laid on the table.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members who spoke on the conference report may have the privilege of revising and extending their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDING THE AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. ABBITT. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4475) to amend the Agricultural Adjustment Act of 1938, as amended, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 17, after "Act", insert "The increase in acreage under this subsection shall not be considered in establishing future State or farm acreage allotments."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. HOPE. Mr. Speaker, reserving the right to object, will the gentleman explain to the House the changes that were made by the Senate amendment?

Mr. ABBITT. Mr. Speaker, the bill simply applies to tobacco and allows the Secretary to increase any type of dark tobacco in short supply. The Senate amendment provides that such increase shall be on a year-to-year basis and shall not figure in the regular allotments of the State.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CONSTRUCTION OF EXPERIMENTAL SUBMARINES

Mr. SASSCER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1227) to amend further the act entitled "An act to authorize the construction of experimental submarines, and for other purposes," approved May 16, 1947, as amended, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 8, strike out "\$50,000,000" and insert "\$49,000,000."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. ARENDS. Mr. Speaker, reserving the right to object, and I shall not object, I would appreciate it if the gentleman would explain to the House the Senate amendment.

Mr. SASSCER. Mr. Speaker, briefly this reduces the amount as passed by the House \$50,000,000. The amendment, if concurred in, would reduce the amount authorized by the House bill \$1,000,000.

The bill is directed to the construction of experimental submarines. The Department said it needed an increase of approximately \$9,000,000, which would

have brought the total up to \$49,000,000. The House felt that due to the fluctuation of prices it should put in \$50,000,000, but the Senate cut that back. The Navy Department feels it can do the necessary construction work for \$49,000,000.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AUTHORITY OF ADMINISTRATOR OF VETERANS' AFFAIRS TO APPOINT RETIRED OFFICERS

Mr. KILDAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5062) to extend the authority of the Administrator of Veterans' Affairs to appoint and employ retired officers without affecting their retired status.

The Clerk read the title of the bill.

Mr. ARENDS. Mr. Speaker, reserving the right to object, I would appreciate it if the gentleman from Texas would explain the purpose of the bill.

Mr. KILDAY. Mr. Speaker, for 5 years the Veterans' Administration has had authority for the employment of retired members of the armed services without affecting their retired status. However, that 5-year period has expired and this bill extends it for an additional 5 years without any change in the other provisions of the law. As a matter of fact, this has been used very sparingly by the Veterans' Administration, and then, primarily for the purpose of employing medical personnel which is badly needed. At the present time, the Director of the Medical Service of the Veterans' Administration is Admiral Boone, known to many of us because of his long and excellent service with the Navy. It should be pointed out that this does not affect in any way the dual compensation law so that persons employed will not be in a position to receive both their retired pay and pay in their active position. It costs nothing to the Government, and gives it an opportunity to employ personnel badly needed, primarily medical personnel.

Mr. ARENDS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of Public Law 718, Seventy-ninth Congress, approved August 10, 1946 (60 Stat. 978), is hereby amended by striking the word "five" preceding the word "years" and substituting therefor the word "ten."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROGRAM FOR NEXT WEEK

(Mr. MARTIN of Massachusetts asked and was given permission to address the House for 1 minute.)

Mr. MARTIN of Massachusetts. Mr. Speaker, I would like to inquire of the

majority leader whether he is in a position to give the program for next week.

Mr. McCORMACK. Yes. The bill amending the Railroad Retirement Act will go over to the week after next, by agreement of the parties. I announce that so that the Members may govern themselves accordingly.

After the announcement of the program I will ask unanimous consent that the Speaker may declare a recess subject to the call of the Chair, the bells to be rung 15 minutes before the House reconvenes, because of the ECA conference report coming up. There may be another conference report that the gentleman from Texas [Mr. TEAGUE] is interested in.

As to the program for next week, on Monday there will be House Resolution 436, giving investigatory power to the Committee on Banking and Currency, and S. 1335, adjusting weights and size, fourth-class postal service.

On Tuesday we will take up H. R. 5505, Customs Simplification Act of 1951, and H. R. 5426, the Armed Forces Reserve Act of 1952, if a rule is reported out.

On Wednesday the military construction appropriation bill will come up. If there is any roll call demanded, I hope, with the permission of the House, that it will go over until Thursday, because Wednesday is a very important Jewish holy day, and we respect the holy days and holidays of all organized religions. After the military construction appropriation bill, if a rule is reported out, we will take up H. R. 5118, the Social Security Act, which was called up under suspension yesterday, and following that H. R. 5411, amendment to the School Act, critical defense housing areas.

Any further program will be announced later. Of course, conference reports may be brought up at any time if they are in order.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from North Carolina.

Mr. BARDEN. H. R. 5411, the bill to take care of defense housing, I understand, was on the schedule for today. Now, it looks like from that schedule that that is put over until the tail end of next week. That is a very important piece of legislation that the Senate is very much interested in, and the Committee on Education and Labor definitely committed itself to bring that bill into the House for its consideration. I would hate very much to see it continually carried over from one week to the other this near the end of the session. It looks to me like if it was scheduled for today that we could reasonably count on it coming up in its normal place beginning next week.

Mr. McCORMACK. It was scheduled for today dependent upon, of course, other legislation. I made that statement last week. I think if the gentleman will look my remarks over the gentleman will see that while it was put on the program it was with the understanding that other legislation ahead of it was completed, and that does not neces-

sarily mean that it will follow in this program next week.

The customs simplification bill is a very important bill that we have to get through. It is in order now, and I think it should take priority next week. The Armed Forces Reserve bill is one in which everybody is interested, and if a rule is reported out on it, it certainly should take priority. Also, the appropriation bill should take priority.

Mr. BARDEN. Is that rule reported out now?

Mr. McCORMACK. No; but if it is reported out it should take priority.

Mr. BARDEN. I cannot understand why a piece of legislation the House and the country and the departments and the President and everybody else are definitely interested in getting through should be shoved over beyond a bill for which a rule is not even granted. It just does not add up.

Mr. McCORMACK. In making the program, if a rule were out on the Armed Forces Reserve bill, I would consider that as having priority status. I put it down on the program in case a rule is reported. If a rule does not come out, then, of course, that means that other bills on the program are stepped up.

Mr. BARDEN. May I say to the gentleman that when the House and Senate conferees were in session they sent for me. I went over there and they asked me if I would take that matter up before the Committee on Education and Labor and report its action to the House at once. I committed myself and the committee to that extent. The committee went to work and reported it out. A rule has been granted, and it has been on the program of the House. I am doing all I can to bring it up. If somebody else wants to assume responsibility for its not passing, that is their responsibility.

Mr. McCORMACK. The gentleman from Massachusetts is always willing to take his responsibility. The gentleman has made a program, and despite any thoughts of the gentleman from North Carolina, whose views I respect, the gentleman from Massachusetts is making a program which is consistent with the probable program of next week in relation to priorities. This bill is on the program for next week. This week it could not be reached. The other legislation here, with the possible exception of the social-security bill, is legislation which would take priority over the bill to which the gentleman refers. As far as I am concerned, I have no objection to putting the bill H. R. 5411 ahead of the bill H. R. 5118.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Connecticut.

Mr. MORANO. Will the House meet on Friday, Columbus Day?

Mr. McCORMACK. I am hopeful that arrangements can be made so that Columbus Day may be properly recognized, as always.

RECESS

Mr. McCORMACK. Mr. Speaker, I unanimous consent that it may be in

order for the Speaker to declare a recess of the House at any time today, subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The Chair declares a recess, subject to the call of the Chair.

Accordingly (at 1 o'clock and 34 minutes p. m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock and 38 minutes p. m.

MUTUAL SECURITY ACT OF 1951

Mr. RICHARDS. Mr. Speaker, I call up the conference report on the bill (H. R. 5113) to maintain the security and promote the foreign policy, and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

Mr. SPENCE. Mr. Speaker, I make a point of order against the conference report, but I will be glad to reserve the point of order if the chairman desires me to do so.

Mr. RICHARDS. That is satisfactory to me.

The SPEAKER. Does the gentleman from Kentucky [Mr. SPENCE], reserve his point of order?

Mr. SPENCE. Yes, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina that the statement of the managers on the part of the House be read in lieu of the report.

There was no objection.

The Clerk read the statement.

Mr. RICHARDS (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with, and that the same be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, of course, the gentleman will explain the conference report thoroughly?

Mr. RICHARDS. I would like to say to the distinguished minority leader that that is my intention before the matter is finally disposed of.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

(For conference report and statement, see proceedings of the House of October 2, 1951.)

The SPEAKER. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I make the point of order against section 501 (e) (3) of the conference report on the ground that that section was neither

in the bill in the other body or in the House bill. Section 501 (e) (3) is as follows:

(3) Paragraph (1) of section 3 (a) of the Export-Import Bank Act of 1945, as amended (12 U. S. C. 635a (a) (1)), is amended by inserting after the words "Secretary of State," where they appear in the first sentence thereof the words "the Director for Mutual Security," and by striking out the last sentence of such paragraph and inserting in lieu thereof the following: "To the extent he deems it advisable the Secretary of State or the Director for Mutual Security, as the case may be, may designate to act for him in the discharge of his duties as a member of the Board of Directors any officer of his Department or Agency who shall have been appointed by the President by and with the advice and consent of the Senate. The Director for Mutual Security shall not be considered to be a member of the Board of Directors for the purposes of the first sentence of paragraph (3) of this subsection or for the purposes of subsection (b)."

It amends the Export-Import Bank Act, and provides that the Director for Mutual Security shall be a member of the Board of Directors of the Export-Import Bank. Therefore, Mr. Speaker, I ask that the point of order be sustained. The conferees went beyond the scope of their authority in placing this provision in the conference report, a provision which had not been considered by either the House or the other body, and which provision amends an act which was not under consideration. I am heartily in favor of the objectives desired to be achieved by this act. I feel confident that the point of order will be sustained, and that the House will have an opportunity to vote on the conference report, and I shall support it and vote for it.

The SPEAKER. Does the gentleman from South Carolina desire to be heard?

Mr. RICHARDS. Mr. Speaker, may I be heard briefly on the point of order?

When this bill went to conference, the situation confronting the conferees was this: The Senate in its consideration of the bill as an amendment struck out all after the enacting clause and inserted a new bill. According to some of the old precedents, and to a rule in force at one time, it was my understanding that this type of parliamentary situation would open the bill wide with the sky as the limit. It will be remembered that under the Reorganization Act of 1946, the rule was changed to provide that any conference report must be confined to the subject matter committed to the conference or to germane modifications of it. In this particular case we had in practical effect two bills before the conferees.

In view of the fact that the original ECA Act—still the law and will be if this conference report is adopted—directed the Export-Import Bank to perform certain functions in making loans where ECA assistance is given on credit. The conferees on both sides felt that the provision objected to here and against which a point of order has been raised was well within the subject matter of the bills under consideration. I realize, of course, Mr. Speaker, that this is a debatable question. However, I wish to assure the House, that there was neither

motive nor attempt upon the part of any conferee from either body to evade the spirit of the bills passed by the two Houses. It is the definite opinion of the conferees on this side that the provision referred to and objected to is well within the subject matter under consideration by the conference committee.

Mr. VORYS. Mr. Speaker, may I be heard on the point of order?

The SPEAKER. The Chair will hear the gentleman briefly.

Mr. VORYS. The point of order as I understand it, is that the conferees were without authority to amend the Export-Import Bank Act by providing that the Director of Mutual Security shall be a member of the board of directors of the bank.

I call the attention of the Chair to the fact that section 612 of the House bill amended the ECA law, section 111 (c) by requiring that 20 percent of the funds to be administered by the new Administrator should be in the form of loans. Section 111 (c) of the ECA Act amended the Export-Import Bank Act by providing for loans under ECA, on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Fiscal Problems. It provided that the loans should be administered by the Export-Import Bank of Washington.

The Senate had no provision for loans and, therefore, no provision, of course, for administering the loans. The conferees provided in section 522 of the conference report that as great an amount as possible but in no event less than 10 percent of the economic aid furnished should be on credit terms thereby amending existing law and adding to the duties of the Export-Import Bank just as had been provided in the House bill.

What the conferees did was to make a further amendment to the Export-Import Bank Act which had already been amended in the House by providing that this new Director of Mutual Security in addition to being a member of the National Advisory Council on Monetary and Fiscal Affairs should be a member of the board of the bank that was to administer these loans which, if appropriations are in line with the authorizations, may amount to more than \$140,000,000. So that, in view of the history of the House bill which amended the ECA law which in itself amended the Export-Import Bank law, it is clear to me, and it was clear to the conferees, that this came squarely under the provisions of section 135 (a) of the Reorganization Act, which says of the conferees:

They may, however, include in their report matter which is a germane modification of the subjects in disagreement.

The whole question of the administration of loans was in disagreement. The conferees made a germane modification of that subject, amending the Export-Import Bank law which had been amended by the House. Therefore, Mr. Speaker, I submit that the point of order should be overruled.

Mr. WOLCOTT. Mr. Speaker, may I be heard on the point of order?

The SPEAKER. The Chair will hear the gentleman.

Mr. WOLCOTT. Mr. Speaker, section 135 of the Legislative Reorganization Act of 1946, which is a section applicable to both Houses of Congress, reads as follows:

In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter, but they may not include in the report matter not committed by either House. They may, however, include in their report in such case matter which is a germane modification of subjects in disagreement.

(b) In any case in which the conferees violate subsection (a), the conferees' report shall be subject to a point of order.

Mr. Speaker, when the bill, H. R. 5113, was considered in the Senate, all after the enacting clause was stricken and a new bill was substituted, which constitutes, of course, an amendment in the nature of a substitute coming within the language of section 135 which I have just read. It is true that the Export-Import Bank under section 111 of the Foreign Assistance Act of 1948 has been functioning as the agent—not as a prime mover—of the Administrator of ECA but without any degree of latitude in respect to the conditions or quantity of the loan. It acts merely as the agent of the Administrator, as he is called in the act, in administration of loans.

The forepart of section (2) of section 111 (c) of the Foreign Assistance Act reads as follows:

When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator—

Not the Export-Import Bank but the Administrator of ECA—

shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945—

The Export-Import Act is not amended by this language but notwithstanding the provisions of the Export-Import Bank Act of 1945, as amended, it may—administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems.

Therefore, the charter of the Export-Import Bank, under which was created a board of five directors, was not in disagreement before the conferees.

When the conferees in respect to H. R. 5113 amended the charter law of the export-import law and filed its report in this House, it reported on a matter which was not committed to them by either House.

Neither is it a matter which is germane to the subject matter for the reason that the Mutual Security Act of 1951 does not vest in the board of directors of the Export-Import Bank any discretion in respect to the making of loans. It authorizes them only to administer the loans in the manner laid down under regulations of the Director of the Mutual Security Act.

This amendment not only gives the Director a voice on the Board with respect to the administration of moneys raised by the Director by requisition on the Treasury of the United States, notwithstanding any other action which the Board of Directors of the Bank might take, but it gives him authority to act as a member of the Board of Directors of the Export-Import Bank on all matters coming before that Board, domestic and foreign.

It is true that many of the loans made by the Export-Import Bank, as a matter of fact almost all of them, are foreign loans, but the Export-Import Bank of Washington as set up and chartered by this Congress is authorized to do a general banking business, domestic as well as foreign. In the first place, to put the Director of the Mutual Security Act on the Board of Directors throws the Board out of balance, because it creates an even number; it creates a Board of six members, and in addition to that it overbalances the Board in connection with the use of the Export-Import Bank in respect to our foreign policy.

Now, there was a very distinct purpose behind this rule. It was to prevent either House of the Congress being taken by surprise by the conferees assuming to have jurisdiction over matters which had not been committed to them by either House of the Congress. I might say, speaking for myself, that I was completely surprised because it has been only within the past week that we had a matter before the House in which the borrowing authority of the Export-Import Bank was increased by a billion dollars, and I remember very distinctly that I very sincerely made the statement on the floor of this House that there was no indication from the reports of the Export-Import Bank, no indication from the testimony which we had had with respect to the increase of capital or borrowing authority, that the Export-Import Bank had been unduly pressured into making foreign loans which were not sound loans, in keeping with whatever foreign policy might be evolved.

I might say that this House is taken by surprise, because were this matter before the House in the form of a bill today, with the same thing which the conferees did, it would be subject to almost interminable debate on the fundamental question as to whether we would want to use the Export-Import Bank of Washington in furtherance of any foreign policy, no matter how we might agree with that foreign policy.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Mississippi.

Mr. RANKIN. How much does this increase the cost?

Mr. WOLCOTT. I do not know as it increases the cost at all because I do not understand that as a member of the Board the Director gets any additional salary; at least, I do not understand that he does.

For that reason, Mr. Speaker, I contend that the point of order made by the gentleman from Kentucky should be sustained.

The SPEAKER. The Chair is ready to rule.

The Chair appreciates the fact that both the gentleman from Kentucky and the gentleman from Michigan called the attention of the Chair to the fact that they were going to object to this provision in the conference report and that, if necessary, they would make a point of order against the whole conference report on the ground that the conferees had exceeded their authority.

Many of these questions are very close, and I might say that in the reference of bills the Speaker's parliamentary adviser and he many times have some difficulty in determining exactly what committee has jurisdiction, or which committee has the most jurisdiction, the Chair might say.

It has always been the thought of the Chair that the conferees should be allowed as wide leeway as possible as long as they stayed within the rules of the House, but the jurisdiction of committees must be guarded and the limitations put upon the conferees also must be guarded.

The jurisdiction of conferees with reference to amendments in the nature of a substitute, as we have before us, is covered by section 135 (a) of part 3 of the Legislative Reorganization Act of 1946. This provision, which appears as section 947 of the House Rules and Manual, does not change the precedents, but merely codifies the long-standing practice of the House.

The provision is as follows:

SEC. 135. (a) In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House. They may, however, include in their report in any such case matter which is a germane modification of the subjects in disagreement.

(b) In any case in which the conferees violate subsection (a), the conference report shall be subject to a point of order.

While the rule authorizes conferees to report a substitute on the same subject matter, it also restricts them to matter committed to them by one of the Houses. In the case before us neither House committed to the conferees a provision for making the Mutual Security Director a member of the board of the Export-Import Bank. And while the rule permits germane modifications of the matter in disagreement, such alteration of the board of directors of the Export-Import Bank is an expansion and not a modification of the matter in disagreement.

The Chair thinks the point of order is good and, therefore, sustains the point of order.

The Senate amendment is now before the House for further consideration.

The Clerk will report the Senate amendment.

The Clerk read as follows:

Senate amendment: Strike out all after the enacting clause and insert "That this act may be cited as the 'Mutual Security Act of 1951.'"

"SEC. 2. (a) The Congress declares it to be the purpose of this act to maintain the security and to promote the foreign policy

of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and the Act for International Development (22 U. S. C. 1557) shall hereafter be deemed to include this purpose.

"(b) It is hereby declared to be the policy of the Congress, that, to the extent that it is readily feasible and does not interfere with the achievement of the purposes set forth in subsection (a), the assistance authorized by title I of this act shall be provided in such a way as (1) to discourage the cartel and monopolistic practices prevailing in European business which result in restricting production and increasing prices, and to encourage where suitable competition and productivity, and (2) to encourage where suitable the development and strengthening of the free labor union movements of Europe as the collective bargaining agencies of European labor.

"TITLE I—EUROPE

"SEC. 101. (a) In order to support the freedom of Europe through assistance which will further the carrying out of the plans for defense of the North Atlantic area, while at the same time maintaining the economic stability of the countries of the area so that they may meet their responsibilities for defense, and to further encourage the economic unification and the political federation of Europe, there are hereby authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and accomplishing the policies and purpose of this act—

"(1) not to exceed \$5,006,350,000 for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States and not to exceed \$100,000,000 of such appropriation for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist dominated or occupied areas of Germany and Austria, and any other countries absorbed by the Soviet Union either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance will contribute to the defense of the North Atlantic area and to the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph. The amount of funds made available pursuant to this paragraph which may be utilized for purposes other than assistance to countries which are parties to the North Atlantic Treaty shall not exceed 10 percent of the amount made available (excluding

balances of prior appropriations continued available) under this paragraph.

"(2) not to exceed \$880,500,000 for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522) (including assistance to further European military production), for any country of Europe covered by paragraph (1) of this subsection and for any other country covered by section 103 (a) of the said Economic Cooperation Act of 1948, as amended. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph: *Provided*, That not to exceed \$10,000,000 of the funds made available pursuant to this paragraph may be utilized to effectuate the purposes of section 115 (e) of the Economic Cooperation Act of 1948, as amended.

"(b) Not to exceed 5 percent of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purpose of this act, between appropriations granted pursuant to either paragraph of subsection (a): *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.

"TITLE II—NEAR EAST AND AFRICA

"Sec. 201. In order to further the purpose of this act by continuing to provide military assistance to Greece, Turkey, and Iran, there are hereby authorized to be appropriated to the President for the fiscal year 1952 not to exceed \$396,250,000 for furnishing assistance to Greece and Turkey pursuant to the provisions of the act of May 22, 1947, as amended (22 U. S. C. 1401-1410), and for furnishing assistance to Iran pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604). In addition, unexpended balances of appropriations heretofore made for assistance to Greece and Turkey, available for the fiscal year 1951, pursuant to the act of May 22, 1947, as amended, and for assistance to Iran pursuant to the Mutual Defense Assistance Act of 1949, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

"Sec. 202. Whenever the President determines that such action is essential for the purpose of this act, he may provide assistance, pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended, to any country of the Near East area (other than those covered by section 201) and may utilize not to exceed 10 percent of the amount made available (excluding balances of prior appropriations continued available) pursuant to section 201 of this act: *Provided*, That any such assistance may be furnished only upon determination by the President that (1) the strategic location of the recipient country makes it of direct importance to the defense of the Near East area, (2) such assistance is of critical importance to the defense of the free nations, and (3) the immediately increased ability of the recipient country to defend itself is important to the preservation of the peace and security of the area and to the security of the United States.

"Sec. 203. In order to further the purpose of this act in Africa and the Near East, there are hereby authorized to be appropriated to

the President, for the fiscal year 1952, not to exceed \$160,000,000 for economic and technical assistance in Africa and the Near East in areas other than those covered by section 103 (a) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1502). Funds appropriated pursuant to this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557).

"Sec. 204. Not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be contributed to the United Nations during the fiscal year 1952, for the purposes, and under the provisions, of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556): *Provided*, That, whenever the President shall determine that it would more effectively contribute to the purposes of the said United Nations Palestine Refugee Aid Act of 1950, he may allocate any part of such funds to any agency of the United States Government to be utilized in furtherance of the purposes of said act, and any amount so allocated shall be a part of the United States contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

"Sec. 205. In order to assist in the relief of refugees coming into Israel, not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be utilized during the fiscal year 1952, under such terms and conditions as the President may prescribe, for specific refugee relief and resettlement projects in Israel.

"TITLE III—ASIA AND PACIFIC

"Sec. 301. In order to carry out in the general area of China (including the Republic of the Philippines and the Republic of Korea) the provisions of subsection (a) of section 303 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1604 (a)), there are hereby authorized to be appropriated to the President for the fiscal year 1952 not to exceed \$535,250,000. In addition, unexpended balances of appropriations heretofore made for carrying out the provisions of title III of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1602-1604), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed \$50,000,000 of funds appropriated pursuant to this section (excluding balances of appropriations continued available) may be accounted for as provided in subsection (a) of said section 303.

"Sec. 302. (a) In order to further the purpose of this act through the strengthening of the area covered in section 301 of this act (but not including the Republic of Korea), there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$178,750,000 for economic and technical assistance in those portions of such area which the President deems to be not under Communist control. Funds appropriated pursuant to authority of this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557). In addition, unexpended balances of funds heretofore made available for carrying out the purposes of the China Area Aid Act of 1950 (22 U. S. C. 1547), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

"(b) The third proviso of section 202 of the China Area Aid Act of 1950 is amended by inserting 'and of Korea' after 'selected citizens of China' the first time it appears therein.

"Sec. 303. (a) In order to provide for a United States contribution to the United

Nations Korean Reconstruction Agency, established by the resolution of the General Assembly of the United Nations of December 1, 1950, there are hereby authorized to be appropriated to the President not to exceed \$69,750,000. In addition, unobligated balances of the appropriations heretofore made, and available during the fiscal year 1951, for assistance to Korea under authority of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1543, 1551, 1552), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed 50 percent of the total of the appropriations authorized by this section may, when determined by the President to be necessary for the purposes of this act, be transferred to and consolidated with the appropriation authorized by paragraph 302 (a).

"(b) The sums made available pursuant to subsection (a) may be contributed from time to time on behalf of the United States in such amounts as the President determines to be appropriate to support those functions of the United Nations Korean Reconstruction Agency which the military situation in Korea permits the Agency to undertake pursuant to arrangements between the Agency and the United Nations Unified Command. The aggregate amount which may be contributed on behalf of the United States pursuant to the preceding sentence shall be reduced by the value of goods and services made available to Korea by any department or agency of the United States for relief and economic assistance after the assumption of responsibility for relief and rehabilitation operations in Korea by the United Nations Korean Reconstruction Agency.

"(c) The provisions of subsections 304 (a) and (b) of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556 (b)) are hereby made applicable with respect to Korean assistance furnished under this section.

"(d) Unencumbered balances of sums heretofore or hereafter deposited in the special account established pursuant to paragraph (2) of article V of the agreement of December 10, 1948, between the United States of America and the Republic of Korea (62 Stat., part 3, 3788) shall be used in Korea for such purposes as the President determines to be consistent with United Nations programs for assistance to Korea and as may be agreed to between the Government of the United States and the Republic of Korea.

"(e) The functions of the Administrator for Economic Cooperation under the provisions of section 3 of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1551), shall hereafter be performed by such departments or agencies of the Government as the President shall direct.

"TITLE IV—AMERICAN REPUBLICS

"Sec. 401. In order to further the purpose of this act through the furnishing of military assistance to the other American Republics, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$38,150,000 for carrying out the purposes of this section under the provisions of the Mutual Defense Assistance Act of 1949, as amended: *Provided*, That such assistance may be furnished only in accordance with defense plans which are found by the President to require the recipient country to participate in missions important to the defense of the Western Hemisphere. Any such assistance shall be subject to agreements, as provided herein and as required by section 402 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1573), designed to assure that the assistance will be used to promote the defense of the Western Hemisphere; and after agreement by the Government of the United States and the country concerned with respect to such missions, military assistance hereunder shall be fur-

nished only in accordance with such agreement.

"Sec. 402. In order to further the purpose of this act among the peoples of the American Republics through the furnishing of technical assistance, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$21,250,000 for assistance under the provisions of the act for International Development (22 U. S. C. 1557) and of the Institute of Inter-American Affairs Act, as amended (22 U. S. C. 281).

"TITLE V—GENERAL PROVISIONS

"COORDINATION OF ACTIVITIES

"Sec. 501. (a) Responsibility for the coordination of activities of, or resolution of conflicts among, the various departments and agencies of the Government exercising functions under this act shall be in the Executive Office of the President. No person may serve in any office, or on any board established for the purpose of advising the President on such matters while at the same time he is an officer or employee of any other department or agency of the Government. Any person or persons appointed to such office or to serve as a member of such board shall be appointed by the President, by and with the advice and consent of the Senate.

"(b) For the purpose of carrying out the provisions of this section the President is authorized to utilize the positions created in subsection 408 (e) of the Mutual Defense Assistance Act of 1949, as amended.

"Sec. 502. The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

"ELIGIBILITY FOR ASSISTANCE

"Sec. 503. (a) No military, economic, or technical assistance authorized pursuant to this act (other than assistance provided under section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the President finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to—

"(1) join in promoting international understanding and good will, and maintaining world peace;

"(2) take such action as may be mutually agreed upon to eliminate causes of international tension;

"(3) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

"(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

"(5) take all reasonable measures which may be needed to develop its defense capacities; and

"(6) take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

"(b) No economic or technical assistance shall be supplied to any other nation unless the President finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and in maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

"RESPONSIBILITIES OF SECRETARY OF DEFENSE

"Sec. 504. In the case of aid under this act for military items and related technical

assistance and advice, the Secretary of Defense shall have primary responsibility and authority for—

"(a) the determination of military end-item requirements;

"(b) the procurement of military equipment in a manner which permits its integration with service programs;

"(c) establishment of priorities in procurement and deliveries, the allocation of military equipment and the apportionment of funds between services and countries within each area specified in the act;

"(d) the supervision of end-item use by the recipient countries;

"(e) the supervision of the training of foreign military personnel; and

"(f) the movement and delivery of military end items.

"TERMINATION OF ASSISTANCE

"Sec. 505. (a) After June 30, 1954, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, none of the authority conferred by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604) may be exercised; except that during the 12 months following such date equipment, materials, commodities, and services with respect to which procurement for, shipment to, or delivery in a recipient country had been authorized prior to such date, may be transferred to such country, and funds appropriated under authority of this act may be obligated during such 12-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer and shall remain available during such period for the necessary expenses of liquidating operations under this act.

"(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the 12 months following such date, the powers, duties, and authority conferred by the Mutual Defense Assistance Act of 1949, as amended, may be transferred for the purpose of liquidation to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, property and personnel may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

"(c) On or before March 30, 1952, the President shall submit to the Congress a reorganization plan under the Reorganization Act of 1949 (5 U. S. C. 1332) abolishing the Economic Cooperation Administration and transferring such of the powers and functions conferred upon the Administrator by the Economic Cooperation Act of 1948, as amended, as are necessary to carry out the purposes of the Mutual Security Act of 1951, to such other agency, or agencies, of the Government, as appropriate, and the powers and functions so transferred shall notwithstanding the provisions of section 122 of the Economic Cooperation Act of 1948, as amended, continue until July 1, 1954, unless terminated earlier by concurrent resolution of the two Houses of Congress. The liquidation provisions of section 122 of the Economic Cooperation Act of 1948, as amended, shall become effective on July 1, 1954, or the effective date of such concurrent resolution, whichever is earlier, and be administered by the agency or agencies to which any such power or function is transferred.

"TERMINATION OF ASSISTANCE BY PRESIDENT

"Sec. 506. The President shall terminate all or part of any assistance furnished pursuant to this act under any of the following circumstances:

"(a) If requested by any nation to which assistance is being rendered;

"(b) If the President determines that the furnishing of assistance to any nation is no longer consistent with the national interest

or security of the United States or the policies and purposes of this act; or

"(c) If the President determines that provisions of assistance would contravene any decision of the Security Council of the United Nations, or if the President otherwise determines that provision of assistance to any nation would be inconsistent with the obligation of the United States under the Charter of the United Nations to refrain from giving assistance to any nation against which the United Nations is taking preventative or enforcement action or in respect of which the General Assembly finds the continuance of such assistance is undesirable.

The function conferred herein shall be in addition to all other functions heretofore conferred with respect to the termination of military, economic, or technical assistance.

"EFFECTIVE DATE

"Sec. 507. All provisions of this act except section 503 shall take effect upon the date of its enactment. Such section shall take effect 90 days thereafter.

"Sec. 509. In order to promote the increased production, in areas covered by this act, of materials in which the United States is deficient, not to exceed \$55,000,000 of the funds authorized to be appropriated pursuant to section 101 (a) (2) of this act may be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

"Sec. 510. (a) As used in this section—

"(1) the term 'invention' means an invention or discovery covered by a patent issued by the United States and

"(2) the term 'information' means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

"(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purpose of this act—

"(1) use within the United States, without authorization by the owner, shall be made of an invention, or

"(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

"(c) Before such suit against the United States has been instituted, the head of the appropriate department or agency of the Government, which has furnished any assistance in furtherance of the purpose of this act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

"(d) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than 8 years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the 6 years, unless suit is brought before the last-mentioned date.

"Sec. 511. The President, from time to time while funds appropriated for the purpose of this act continue to be available for obligation, shall transmit to the Congress, in lieu

of any reports otherwise required by laws continued in effect by this act, reports covering each 6 months of operations in furtherance of the purpose of this act, except information the disclosure of which he deems incompatible with the security of the United States. The first such report shall cover the 6-month period commencing on the date this act becomes effective. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

"Sec. 512. (a) Upon a determination by the President that it will further the purpose of this act, not to exceed \$10,000,000 of the funds made available pursuant to section 203 of this act and not to exceed \$25,000,000 of funds made available pursuant to section 302 of this act may be advanced to countries covered by said sections in return for equivalent amounts of the currency of such countries being made available to meet local currency needs of the aid programs in such countries pursuant to agreements made in advance with the United States: *Provided*, That except when otherwise prescribed by the President as necessary to the effective accomplishment of the aid programs in such countries, all funds so advanced shall be held under procedures set out in such agreements until used to pay for goods and services approved by the United States or until repaid to the United States for reimbursement to the appropriation from which drawn.

"(b) In order to assist in carrying out the provisions of the Economic Cooperation Act of 1948, as amended, not to exceed \$50,000,000 of funds made available under the authority of this act for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), may be used to acquire local currency for the purpose of increasing the production of materials in which the United States is deficient.

"Sec. 513. Funds realized from the sales of notes pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be available for making guaranties of investments in accordance with the applicable provisions of sections 111 (b) (3) and 111 (c) (2) of the Economic Cooperation Act, as amended, in any area in which assistance is authorized by this act.

"Sec. 514. Funds made available for carrying out the provisions of title I of this act shall be available for the administrative expenses of carrying out the purposes of all of the titles of this act, including expenses incident to United States participation in international security organizations and expenses in the United States in connection with programs authorized under the Act for International Development. Any currency of any nation received by the United States for its own use in connection with assistance furnished by the United States may be used by any agency of the Government without reimbursement from any appropriation for the administrative and operating expenses of carrying out the purpose of this act. Funds made available for carrying out the purpose of this act in the Federal Republic of Germany may, as authorized in subsection 114 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1512 (h)), be transferred by the President to any department or agency for the expenses necessary to meet the responsibilities and obligations of the United States in the Federal Republic of Germany.

"Sec. 515. Section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (b) (6)), is hereby amended by—

"(a) inserting in the second proviso thereof after 'wealth' the following: 'for the encouragement of emigration pursuant to subsection (e) of this section';

"(b) adding in the last clause of the second proviso 'and operating' after 'administrative';

"(c) striking from the last clause of the second proviso 'within such country';

"(d) substituting in the fourth proviso the words 'upon termination of assistance to such country under this act' in place of the words 'on June 30, 1952'; and

"(e) adding at the end thereof the following new sentences: 'The Administrator shall exercise the power granted to him by this paragraph to make agreements with respect to the use of the funds deposited in the special accounts of the countries receiving assistance under the Mutual Defense Assistance Act of 1949, as amended, in such a manner that the equivalent of not less than \$500,000,000 of such funds shall be used exclusively for military production, construction, equipment, and matériel in such countries. The amount to be devoted from each such special account for such use shall be agreed upon by the Administrator and the country or countries concerned.'

"Sec. 516. (a) The President shall make appropriate arrangements with each nation receiving equipment or material under the Mutual Defense Assistance Act of 1949, as amended (other than equipment or material furnished under terms requiring the nation to reimburse the United States in full therefor), for the return to the United States (1) for salvage or scrap, or (2) for such other disposition as the President shall deem to be in the interest of mutual security, of any of such equipment or material as is no longer required for the purposes for which originally made available.

"(b) Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1580), is hereby amended by adding in the first proviso thereof, after the words 'of which it is a part', the words 'or in United Nations collective security arrangements and measures', and by changing the figure at the end of such section 408 (e) to '\$500,000,000.'

"Sec. 517. The proviso in the first sentence of section 403 (d) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1574 (d)), is hereby amended to read as follows: '*Provided*, That after June 30, 1950, such limitation shall be increased by \$250,000,000 and after June 30, 1951, by an additional \$150,000,000.'

"Sec. 518. (a) The Act for International Development is amended by adding before the period at the end of section 404 (b) the following: '*Provided*, That for the fiscal year ending June 30, 1952, such contributions from funds made available under authority of section 101 (a) (2), 203, 302, and 402 of the Mutual Security Act of 1951 shall not exceed in the aggregate \$13,000,000, and the use of such contributions shall not be limited to the area covered by the section of the act from which the funds are drawn.'

"(b) Section 414 of such act is amended to read as follows:

"Sec. 414. No citizen or resident of the United States, whether or not now in the employ of the Government, may be employed or assigned to duties by the Government under this act for a period to exceed 3 months until such individual has been investigated by the Civil Service Commission and a report has been made to the Secretary of State: *Provided, however*, That in the event the Civil Service Commission discovers evidence of disloyalty or that the individual may be a security risk the matter will then be referred to the Federal Bureau of Investigation for a full field investigation: *Provided further*, That no such individual may be employed or assigned to duties by the Government under this act until the Civil Service Commission has made a name check of the files of the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State: *Provided further*, That, prior to the receipt of a report of the Civil Service Commission, persons may be

given temporary employment without acquiring any civil-service status, exclusively for purposes of job training within the United States not involving access to any classified information: *Provided further*, That any present employee of the Government, pending the report as to such employee by the Civil Service Commission, may be employed or assigned to duties under this act for the period of 3 months from the date of its enactment. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.'

Mr. RICHARDS. Mr. Speaker, I offer a motion, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. RICHARDS moves that the House recede from its disagreement to the Senate amendment and agree to the same with an amendment as follows: In lieu of the matter proposed in the Senate amendment insert the following:

"That this act may be cited as the 'Mutual Security Act of 1951.'

"Sec. 2. The Congress declares it to be the purpose of this act to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and the Act for International Development (22 U. S. C. 1557) shall hereafter be deemed to include this purpose.

"TITLE I—EUROPE

"Sec. 101. (a) In order to support the freedom of Europe through assistance which will further the carrying out of the plans for defense of the North Atlantic area, while at the same time maintaining the economic stability of the countries of the area so that they may meet their responsibilities for defense, and to further encourage the economic unification and the political federation of Europe, there are hereby authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and accomplishing the policies and purpose of this act—

"(1) not to exceed \$5,028,000,000 for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this Act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States (any such determination to be reported forthwith to the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives), and not to exceed \$100,000,000 of such appropriation for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist-dominated or Communist-occupied areas of Germany and Austria, and any other countries absorbed by the Soviet

Unit either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance will contribute to the defense of the North Atlantic area and to the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph. Section 408 (c) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1579), is hereby repealed.

"(2) not to exceed \$1,022,000,000 for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522) (including assistance to further European military production), for any country of Europe covered by paragraph (1) of this subsection and for any other country covered by section 103 (a) of the said Economic Cooperation Act of 1948, as amended. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph: *Provided*, That not to exceed \$10,000,000 of the funds made available pursuant to this paragraph may be utilized to effectuate the principles set forth in section 115 (e) of the Economic Cooperation Act of 1948, as amended.

"(b) Not to exceed 10 percent of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purpose of this act, between appropriations granted pursuant to either paragraph of subsection (a): *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.

"TITLE II—NEAR EAST AND AFRICA

"SEC. 201. In order to further the purpose of this act by continuing to provide military assistance to Greece, Turkey, and Iran, there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$396,250,000 for furnishing assistance to Greece and Turkey pursuant to the provisions of the act of May 22, 1947, as amended (22 U. S. C. 1401-1410), and for furnishing assistance to Iran pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604). In addition, unexpended balances of appropriations heretofore made for assistance to Greece and Turkey, available for the fiscal year 1951, pursuant to the act of May 22, 1947, as amended, and for assistance to Iran pursuant to the Mutual Defense Assistance Act of 1949, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

"SEC. 202. Whenever the President determines that such action is essential for the purpose of this act, he may provide assistance, pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended, to any country of the Near East area (other than those covered by section 201) and may utilize not to exceed 10 per-

cent of the amount made available (excluding balances of prior appropriations continued available) pursuant to section 201 of this act: *Provided*, That any such assistance may be furnished only upon determination by the President that (1) the strategic location of the recipient country makes it of direct importance to the defense of the Near East area, (2) such assistance is of critical importance to the defense of the free nations, and (3) the immediately increased ability of the recipient country to defend itself is important to the preservation of the peace and security of the area and to the security of the United States.

"SEC. 203. In order to further the purpose of this act in Africa and the Near East, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$160,000,000 for economic and technical assistance in Africa and the Near East in areas other than those covered by section 103 (a) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1502). Funds appropriated pursuant to this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557).

"SEC. 204. Not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be contributed to the United Nations during the fiscal year 1952, for the purposes, and under the provisions, of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556): *Provided*, That, whenever the President shall determine that it would more effectively contribute to the purposes of the said United Nations Palestine Refugee Aid Act of 1950, he may allocate any part of such funds to any agency of the United States Government to be utilized in furtherance of the purposes of said act and any amount so allocated shall be a part of the United States contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East and shall be so credited by said Agency.

"SEC. 205. In order to assist in the relief of refugees coming into Israel, not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be utilized during the fiscal year 1952, under such terms and conditions as the President may prescribe, for specific refugee relief and resettlement projects in Israel.

"TITLE III—ASIA AND PACIFIC

"SEC. 301. In order to carry out in the general area of China (including the Republic of the Philippines and the Republic of Korea) the provisions of subsection (a) of section 303 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1604 (a)), there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$535,250,000. In addition, unexpended balances of appropriations heretofore made for carrying out the provisions of title III of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1602-1604), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed \$50,000,000 of funds appropriated pursuant to this section (excluding balances of appropriations continued available) may be accounted for as provided in subsection (a) of said section 303.

"SEC. 302. (a) In order to further the purpose of this act through the strengthening of the area covered in section 301 of this act (but not including the Republic of Korea), there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$237,500,000 for economic and technical assistance in those portions of such area which the President deems to be not under Communist control. Funds appropriated pursuant to authority of this sec-

tion shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557). In addition, unexpended balances of funds heretofore made available for carrying out the purposes of the China Area Aid Act of 1950 (22 U. S. C. 1547), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

"(b) The third proviso of section 202 of the China Area Aid Act of 1950 is amended by inserting 'and of Korea' after 'selected citizens of China' the first time it appears therein.

"SEC. 303. (a) In order to provide for a United States contribution to the United Nations Korean Reconstruction Agency, established by the resolution of the General Assembly of the United Nations of December 1, 1950, there are hereby authorized to be appropriated to the President not to exceed \$45,000,000. In addition, unobligated balances of the appropriations heretofore made, and available during the fiscal year 1951, for assistance to Korea under authority of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1543, 1551, 1552), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed 50 percent of the total of the appropriations authorized by this section may, when determined by the President to be necessary for the purpose of this act, be transferred to and consolidated with the appropriation authorized by paragraph 302 (a).

"(b) The sums made available pursuant to subsection (a) may be contributed from time to time on behalf of the United States in such amounts as the President determines to be appropriate to support those functions of the United Nations Korean Reconstruction Agency which the military situation in Korea permits the agency to undertake pursuant to arrangements between the agency and the United Nations Unified Command. The aggregate amount which may be contributed on behalf of the United States pursuant to the preceding sentence shall be reduced by the value of goods and services made available to Korea by any department or agency of the United States for relief and economic assistance after the assumption of responsibility for relief and rehabilitation operations in Korea by the United Nations Korean Reconstruction Agency.

"(c) The provisions of subsections 304 (a) and (b) of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556 (b)) are hereby made applicable with respect to Korean assistance furnished under this section.

"(d) Unencumbered balances of sums heretofore or hereafter deposited in the special account established pursuant to paragraph (2) of article V of the agreement of December 10, 1948, between the United States of America and the Republic of Korea (62 Stat., pt. 3, 3788) shall be used in Korea for such purposes as the President determines to be consistent with United Nations programs for assistance to Korea and as may be agreed to between the Government of the United States and the Republic of Korea.

"(e) The function of the Administrator for Economic Cooperation under the provisions of section 3 of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1551), shall hereafter be performed by such departments or agencies of the Government as the President shall direct.

"TITLE IV—AMERICAN REPUBLICS

"SEC. 401. In order to further the purpose of this act through the furnishing of military assistance to the other American Republics,

there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$38,150,000 for carrying out the purpose of this section under the provisions of the Mutual Defense Assistance Act of 1949, as amended: *Provided*, That such assistance may be furnished only in accordance with defense plans which are found by the President to require the recipient country to participate in missions important to the defense of the Western Hemisphere. Any such assistance shall be subject to agreements, as provided herein and as required by section 402 of the Mutual Defense Assistance Act of 1940, as amended (22 U. S. C. 1673), designed to assure that the assistance will be used to promote the defense of the Western Hemisphere; and after agreement by the Government of the United States and the country concerned with respect to such missions, military assistance hereunder shall be furnished only in accordance with such agreement.

"SEC. 402. In order to further the purpose of this act among the peoples of the American Republics through the furnishing of technical assistance, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$21,250,000 for assistance under the provisions of the Act for International Development (22 U. S. C. 1557) and of the Institute of Inter-American Affairs Act, as amended (22 U. S. C. 281).

"TITLE V—ORGANIZATION AND GENERAL PROVISIONS

"UNIFIED DIRECTION OF PROGRAM

"SEC. 501. (a) In order that the programs of military, economic, and technical assistance authorized by this act may be administered as parts of a unified program in accordance with the intent of Congress and to fix responsibility for the coordination and supervision of these programs in a single person, the President is authorized to appoint in the Executive Office of the President a Director for Mutual Security. The Director, on behalf of the President and subject to his direction, shall have primary responsibility for—

"(1) continuous supervision and general direction of the assistance programs under this act to the end that such programs shall be (A) effectively integrated both at home and abroad, and (B) administered so as to assure that the defensive strength of the free nations of the world shall be built as quickly as possible on the basis of continuous and effective self-help and mutual aid;

"(2) preparation and presentation to the Congress of such programs of foreign military, economic, and technical assistance as may be required in the interest of the security of the United States;

"(3) preparation for the President of the report to the Congress required by section 518 of this act.

"(b) Except as otherwise provided by this act, the Director shall not hold any other office or employment under the United States and shall not have any other responsibilities except those directly related to the coordination, supervision, and direction of the programs covered by this act or otherwise conferred upon him by law.

"(c) The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$22,500 per annum.

"(d) For the purpose of carrying out the provisions of this section, the President is authorized to utilize the positions created in subsection 496 (e) of the Mutual Defense Assistance Act of 1949, as amended. No person may serve in any such position under this subsection while at the same time he is an officer or employee of any other department or agency of the Government.

"(e) (1) The fourth paragraph of section 101 (a) of the National Security Act of 1947, as amended (50 U. S. C. 402 (a)), is amended

by inserting after clause (4) the following:

"(5) the Director for Mutual Security;" and by renumbering clauses (5) and (6) thereof as clauses (6) and (7), respectively.

"(2) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (59 Stat. 512), is amended by striking out 'Economic Cooperation Administration' and inserting in lieu thereof 'Mutual Security Agency' and by striking out 'Administrator for Economic Cooperation' and inserting in lieu thereof 'Director for Mutual Security.'

"MUTUAL SECURITY AGENCY

"SEC. 502. (a) The Economic Cooperation Administration and the offices of Administrator for Economic Cooperation, Deputy Administrator, United States special representative in Europe, and deputy special representative are hereby abolished.

"(b) To assist in carrying out the purpose of this act—

"(1) there is hereby established, with its principal office at the seat of the Government, a Mutual Security Agency, hereinafter referred to as the Agency, which shall be headed by the Director for Mutual Security; and

"(2) there shall be transferred to the Director the powers, functions, and responsibilities conferred upon the Administrator for Economic Cooperation by the Economic Cooperation Act of 1948, as amended, and by any other law, but no such powers, functions, and responsibilities shall be exercised after June 30, 1952, except as provided in subsection (c) of this section.

"(c) Not later than April 1, 1952, the President shall inform the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives which of the powers, functions, and responsibilities transferred to the Director by subsection (b) (2) are found by the President to be necessary to enable the Director after June 30, 1952, to carry out the duties conferred upon him by section 503. The termination provisions of section 122 of the Economic Cooperation Act of 1948, as amended, shall come into effect on June 30, 1952, and none of the powers, functions, and responsibilities conferred by that act shall be exercised after that date, except those powers, functions, and responsibilities found necessary to enable the Director to carry out the duties conferred on him by section 503 of this act, which powers, functions, and responsibilities unless otherwise provided by law shall continue in effect until June 30, 1954.

"ADDITIONAL DUTIES OF DIRECTOR FOR MUTUAL SECURITY

"SEC. 503. After June 30, 1952, the Director, on behalf of the President and subject to his direction, shall, in consultation with the Secretaries of State and Defense, continue to have primary responsibility for—

"(a) the development and administration of programs of assistance designed to sustain and increase military effort, including production, construction, equipment and matériel in each country or in groups of countries which receive United States military assistance;

"(b) the provision of such equipment, materials, commodities, services, financial, or other assistance as he finds to be necessary for carrying out mutual defense programs; and

"(c) the provision of limited economic assistance to foreign nations for which the United States has responsibility as a result of participation in joint control arrangements when the President finds that the provision of such economic assistance is in the interest of the security of the United States.

"APPOINTMENT AND TRANSFER OF PERSONNEL

"SEC. 504. (a) To carry out the functions conferred by sections 502 and 503 of this act, there shall be in the Agency a Deputy Director, a special representative in Europe,

and a deputy special representative in Europe, who shall be appointed by the President by and with the advice and consent of the Senate, and shall have status and receive compensation comparable to the equivalent positions under the Economic Cooperation Act of 1948, as amended.

"(b) Any personnel of the Economic Cooperation Administration, upon the certification of the Director for Mutual Security and with the approval of the Director of the Bureau of the Budget that such personnel are necessary to carry out the functions of the Director for Mutual Security, and all records and property of such administration which the Director of the Bureau of the Budget determines are used primarily in the administration of the powers and functions transferred to the Director for Mutual Security by this act, shall be transferred to the Mutual Security Agency.

"(c) Of the personnel transferred to or employed by the Mutual Security Agency, not to exceed 50 may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed 15 may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$15,000 per annum. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

"(d) On and after January 1, 1952, the number of United States citizens employed by the Mutual Security Agency shall be at least 10 percent less than the number employed by the Economic Cooperation Administration on August 31, 1951: *Provided*, That the Director for Mutual Security shall cause studies to be made from time to time for the purpose of determining whether further reductions in personnel are feasible and consistent with the accomplishment of the purposes of this act.

"THE SECRETARY OF STATE

"SEC. 505. Nothing contained in this act shall be construed to infringe upon the powers or functions of the Secretary of State.

"THE SECRETARY OF DEFENSE

"SEC. 506. (a) In the case of aid under this act for military end items and related technical assistance and advice, the Secretary of Defense shall have primary responsibility and authority for—

"(1) the determination of military end-item requirements;

"(2) the procurement of military equipment in a manner which permits its integration with service programs;

"(3) the supervision of end-item use by the recipient countries;

"(4) the supervision of the training of foreign military personnel; and

"(5) the movement and delivery of military end items.

"(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense. The apportionment of funds between countries shall be determined by the President.

"(c) Notwithstanding any other provision of law, during the fiscal year 1952 the Secretary of Defense may furnish (subject to reimbursement from funds appropriated pursuant to this act) military assistance out of the materials of war whose production in the United States shall have been authorized for, and appropriated to, the Department of Defense: *Provided, however*, That nothing in this act shall authorize the furnishing of military items under this subsection in excess of \$1,000,000,000 in value. For the purposes of this subsection (1) 'value' shall be determined in accordance with section 402 (c) of the Mutual Defense Assistance Act of 1949, as amended, and (2)

the term 'materials of war' means those goods, commonly known as military items, which are required for the performance of their missions by armed forces of a nation, including weapons, military vehicles, ships of war under 1,500 tons, aircraft, military communications equipment, ammunition, maintenance parts and spares, and military hardware.

"OVERSEAS COORDINATION

"SEC. 507. The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

"RELATIONSHIP TO TECHNICAL COOPERATION ADMINISTRATION AND INSTITUTE OF INTER-AMERICAN AFFAIRS

"SEC. 508. Nothing in this act shall be construed to modify the provisions of section 412 of the act for international development or the provisions of the Institute of Inter-American Affairs Act.

"DETAILS OF PERSONNEL TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

"SEC. 509. Whenever the President determines it to be consistent with and in furtherance of the purpose of this act, the head of any Government agency is authorized to—

"(a) detail or assign any officer or employee of his agency to any office or position to which no compensation is attached with any foreign government or foreign government agency: *Provided*, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government; and

"(b) detail, assign, or otherwise make available to any international organization in which the United States participates, any officer or employee of his agency to serve with or as a member of the international staff of such organizations.

Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds made available to that agency out of funds authorized under this act.

"SECURITY CLEARANCE

"SEC. 510. No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Director or the Secretary of State under this act or the act for international development for a period to exceed 3 months unless (a) such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Director or the Secretary of State, as the case may be, and until the Director or the Secretary of State has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs), that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views; or (b) such individual has been investigated by a military intelligence agency and the Secretary of Defense has certified in writing that he believes such individual is loyal to the United States and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate, nor shall it apply in the case of any person already employed under programs covered by this

act who has been previously investigated in connection with such employment.

"ELIGIBILITY FOR ASSISTANCE

"SEC. 511. (a) No military, economic, or technical assistance authorized pursuant to this act (other than assistance provided under section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the President finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to—

"(1) join in promoting international understanding and good will, and maintaining world peace;

"(2) take such action as may be mutually agreed upon to eliminate causes of international tension;

"(3) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

"(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

"(5) take all reasonable measures which may be needed to develop its defense capacities; and

"(6) take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

"(b) No economic or technical assistance shall be supplied to any other nation unless the President finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and in maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

"FUTURE AUTHORIZATIONS

"SEC. 512. In order to carry out the purpose of this act, with respect to those countries eligible to receive assistance as provided herein, funds shall be available as authorized and appropriated to the President each fiscal year.

"TRANSPORTATION BETWEEN TITLES

"SEC. 513. Whenever the President determines it to be necessary for the purpose of this act, not to exceed 10 percent of the funds made available under any title of this act may be transferred to and consolidated with funds made available under any other title of this act in order to furnish, to a different area, assistance of the kind for which such funds were available before transfer. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives. In the case of the transfer of funds available for military purposes, he shall also forthwith notify the Committees on Armed Services of the Senate and House of Representatives.

"STRATEGIC MATERIALS

"SEC. 514. In order to promote the increased production, in areas covered by this act, of materials in which the United States is deficient, not to exceed \$55,000,000 of the funds authorized to be appropriated pursuant to section 101 (a) (2) of this act may be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

"PROTECTION AGAINST ATTACHMENT

"SEC. 515. All countries participating in any United States aid program or in any international organization receiving United

States aid shall be required to so deposit, segregate, or assure title to all funds allocated to or derived from any program so that the same shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when in the opinion of the Director any such action would interfere with the attainment of the objectives of this act.

"ENCOURAGEMENT OF FREE ENTERPRISE

"SEC. 516. It is hereby declared to be the policy of the Congress that this act shall be administered in such a way as (1) to eliminate the barriers to, and provide the incentives for, a steadily increased participation of free private enterprise in developing the resources of foreign countries consistent with the policies of this act, (2) to the extent that it is feasible and does not interfere with the achievement of the purposes set forth in this act, to discourage the cartel and monopolistic business practices prevailing in certain countries receiving aid under this act which result in restricting production and increasing prices, and to encourage where suitable competition and productivity, and (3) to encourage where suitable the development and strengthening of the free labor union movements as the collective bargaining agencies of labor within such countries.

"PATENTS AND TECHNICAL INFORMATION

"SEC. 517. (a) As used in this section—

"(1) the term 'invention' means an invention or discovery covered by a patent issued by the United States, and

"(2) the term 'information' means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

"(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purpose of this act—

"(1) use within the United States, without authorization by the owner, shall be made of an invention, or

"(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims or in the district court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

"(c) Before such suit against the United States has been instituted, the head of the appropriate department or agency of the Government, which has furnished any assistance in furtherance of the purpose of this act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

"(d) The provisions of the last sentence of section 1498 of title 28 of the United States Code shall apply to inventions and information covered by this section.

"(e) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than 6 years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the 6 years,

unless suit is brought before the last-mentioned date.

"REPORTS

"Sec. 518. The President, from time to time while funds appropriated for the purpose of this act continue to be available for obligation, shall transmit to the Congress, in lieu of any reports otherwise required by laws continued in effect by this act, reports covering each 6 months of operations in furtherance of the purpose of this act, except information the disclosure of which he deems incompatible with the security of the United States. The first such report shall cover the 6-month period commencing on the date this act becomes effective. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

"LOCAL CURRENCY

"Sec. 519. (a) Upon a determination by the Director that it will further the purpose of this act, not to exceed \$10,000,000 of the funds made available pursuant to section 203 of this act and not to exceed \$25,000,000 of funds made available pursuant to section 302 of this act may be advanced to countries covered by said sections in return for equivalent amounts of the currency of such countries being made available to meet local currency needs of the aid programs in such countries pursuant to agreements made in advance with the United States: *Provided*, That except when otherwise prescribed by the Director as necessary to the effective accomplishment of the aid programs in such countries, all funds so advanced shall be held under procedures set out in such agreements until used to pay for goods and services approved by the United States or until repaid to the United States for reimbursement to the appropriation from which drawn.

"(b) In order to assist in carrying out the provisions of the Economic Cooperation Act of 1948, as amended, not to exceed \$50,000,000 of funds made available under the authority of this act for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), may be used to acquire local currency for the purpose of increasing the production of materials in which the United States is deficient.

"GUARANTIES

"Sec. 520. Funds realized from the sales of notes pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be available for making guaranties of investments in accordance with the applicable provisions of sections 111 (b) (3) and 111 (c) (2) of the Economic Cooperation Act, as amended, in any area in which assistance is authorized by this act.

"ADMINISTRATIVE EXPENSES

"Sec. 521. Funds made available for carrying out the provisions of title I of this act shall be available for United States participation in the acquisition or construction of facilities in foreign countries for collective defense: *Provided*, That no part of such funds shall be expended for rental or purchase of land or for payment of taxes. Such funds shall also be available for the administrative expenses of carrying out the purposes of all of the titles of this act, including expenses incident to United States participation in international security organizations and expenses in the United States in connection with programs authorized under the Act for International Development. Any currency of any nation received by the United States for its own use in connection with assistance furnished by the United States may be used by any agency of the Government without reimbursement from any appropriation for the administrative and

operating expenses of carrying out the purpose of this act. Funds made available for carrying out the purpose of this act in the Federal Republic of Germany may, as authorized in subsection 114 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1512 (h)), be transferred by the President to any department or agency for the expenses necessary to meet the responsibilities and obligations of the United States in the Federal Republic of Germany.

"LOANS

"Sec. 522. Section 111 (c) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), is hereby amended by adding a new paragraph as follows:

"(3) Of the assistance provided under the applicable provisions of this act with funds made available under the authority of the Mutual Security Act of 1951, as great an amount (in no event less than 10 percent) as possible shall be provided on credit terms."

"USE OF COUNTERPART

"Sec. 523. Section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (b) (6)), is hereby amended by—

"(a) inserting in the second proviso thereof after 'wealth' the following: 'for the encouragement of emigration pursuant to subsection (e) of this section';

"(b) adding in the last clause of the second proviso 'and operating' after 'administrative';

"(c) striking from the last clause of the second proviso 'within such country';

"(d) substituting in the fourth proviso the words 'upon termination of assistance to such country under this act' in place of the words 'on June 30, 1952'; and

"(e) adding at the end thereof the following new sentences: 'The Administrator shall exercise the power granted to him by this paragraph to make agreements with respect to the use of the funds deposited in the special accounts of "participating countries" (as defined in sec. 103 (a) hereof) and any other countries receiving assistance under the Mutual Defense Assistance Act of 1949, as amended, in such a manner that the equivalent of not less than \$500,000,000 of such funds shall be used exclusively for military production, construction, equipment, and matériel in such countries. The amount to be devoted from each such special account for such use shall be agreed upon by the Administrator and the country or countries concerned.'

"RETURN OF EQUIPMENT

"Sec. 524. The President shall make appropriate arrangements with each nation receiving equipment or material under the Mutual Defense Assistance Act of 1949, as amended (other than equipment or material furnished under terms requiring the nation to reimburse the United States in full therefor), for the return to the United States (1) for salvage or scrap, or (2) for such other disposition as the President shall deem to be in the interest of mutual security, of any such equipment or material as is no longer required for the purposes for which originally made available.

"REIMBURSABLE AID

"Sec. 525. Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1580), is hereby amended by adding in the first proviso thereof, after the words 'of which it is a part', the words 'or in United Nations collective security arrangements and measures', and by changing the figure at the end of such section 408 (e) to '\$500,000,000.'

"EXCESS EQUIPMENT

"Sec. 526. The proviso in the first sentence of section 403 (d) of the Mutual Defense As-

sistance Act of 1949, as amended (22 U. S. C. 1574 (d)), is hereby amended to read as follows: '*Provided*, That after June 30, 1950, such limitation shall be increased by \$250,000,000 and after June 30, 1951, by an additional \$300,000,000.'

"CONGRESSIONAL COMMITTEE EXPENSES

"Sec. 527. Section 115 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (h)) is amended by inserting before the period at the end thereof a comma and the following: 'including local currency requirements of appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946.'

"UNITED NATIONS TECHNICAL ASSISTANCE

"Sec. 528. The Act for International Development is amended—

"(a) by adding before the period at the end of section 404 (b) the following: '*Provided*, That for the fiscal year ending June 30, 1952, such contributions from funds made available under authority of sections 101 (a) (2), 203, 302, and 402 of the Mutual Security Act of 1951 shall not exceed in the aggregate \$13,000,000, and the use of such contributions shall not be limited to the area covered by the section of the act from which the funds are drawn.'

"(b) by adding at the end of section 407 a new paragraph:

"(d) Participating countries shall be encouraged to establish fair labor standards of wages and working conditions and management-labor relations."

"(c) by repealing section 414.

"TERMINATION OF ASSISTANCE BY PRESIDENT

"Sec. 529. If the President determines that the furnishing of assistance to any nation—

"(a) is no longer consistent with the national interest or security of the United States or the policies and purpose of this act; or

"(b) would contravene a decision of the Security Council of the United Nations; or

"(c) would be inconsistent with the principle that members of the United Nations should refrain from giving assistance to any nation against which the Security Council or the General Assembly has recommended measures in case of a threat to, or breach of, the peace, or act of aggression,

he shall terminate all or part of any assistance furnished pursuant to this act. The function conferred herein shall be in addition to all other functions heretofore conferred with respect to the termination of military, economic, or technical assistance.

"EXPIRATION OF PROGRAM

"Sec. 530. (a) After June 30, 1954, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, none of the authority conferred by this act or by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604) may be exercised; except that during the 12 months following such date equipment, materials, commodities, and services with respect to which procurement for, shipment to, or delivery in a recipient country had been authorized prior to such date, may be transferred to such country, and funds appropriated under authority of this act may be obligated during such 12-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer and shall remain available during such period for the necessary expenses of liquidating operations under this act.

"(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the 12 months following such date, the powers, duties, and authority conferred by this act and by the Mutual Defense Assistance Act of 1949, as amended,

may be transferred for the purpose of liquidation to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, property, and personnel may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

"EFFECTIVE DATE"

"SEC. 531. Sections 502 (a), (b) (2), and section 504 (b) of this act shall take effect on such date or dates as the President shall specify, but in no event later than 60 days after the date the Director first appointed takes office. Section 511 shall take effect 90 days after enactment of this act. All other provisions of this act shall take effect upon the date of its enactment."

Mr. RICHARDS (interrupting the reading of the motion). Mr. Speaker, I ask unanimous consent that the further reading of the motion be dispensed with and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. RANKIN. Reserving the right to object, Mr. Speaker, we would like to know the contents of the amendment. This is a very vital proposition, and I think the amendment ought to be read.

The SPEAKER. The Chair may state that the amendment is the conference report with the deletion of the matter objected to by the gentleman from Kentucky [Mr. SPENCE].

Mr. RANKIN. Does it provide for the insertion of the very material which was knocked out on a point or order a while ago?

The SPEAKER. Not at all. The gentleman from South Carolina has offered a motion to concur in the Senate amendment, with an amendment, which is the conference report with this matter deleted.

Does the Chair properly state the situation?

Mr. RICHARDS. That is right.

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, as we understand it, the motion of the gentleman from South Carolina contains everything in the conference report known as the Senate amendment except subparagraph (3) having to do with the Director of Mutual Security going on the Board of Directors of the Export-Import Bank. This is contained on page 7 of the conference report. Is that correct?

Mr. RICHARDS. That is a correct statement. The amendment includes in essence the conference report except for section 501 (e) (3), shown on page 7 of the conference report, which is the provision that was just eliminated by a point of order.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RICHARDS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I think the House conferees may justly take pride in this conference report. It may not include all that some may expect of the bill passed by the House, but it does include in essence its major provisions. Our desire was to adjust the differences between the

two Houses without injury to the primary purposes of the House bill. To say the least we have succeeded in that purpose.

Let me say that although the conference was lengthy, it deliberated throughout in a spirit of friendly frankness on both sides, without bitterness or rancor, with both sides seeking common ground that would yield an agreement acceptable to both Houses. I also want to compliment my colleagues, the gentleman from Montana [Mr. MANSFIELD], the gentleman from Pennsylvania, Dr. MORGAN, the gentleman from Ohio [Mr. VORYS], and the gentlewoman from Ohio [Mrs. BORROW]. We worked as a team. Their confidence and backing made my task easier. Their ability and high purpose evident everywhere in the deliberations has my highest admiration; and I am sure the House shares these sentiments.

A conference of the type just concluded was not one where each side tried to get a victory over the other. The nature of the disagreement did not permit that. Although I believe the House bill was a good bill and would have made a good statute had the other body accepted it, I must say in all frankness that the version passed by the other body had a number of essential ideas that could not be ignored. The conference agreement embodies the best features of both versions of this bill. It certainly contains the essential principles of the House bill.

The relatively small matters were cleared away early. There is no need to detain the House with a recital of these differences and how they were resolved. I want to confine my remarks, in the main, to two of the major features of the agreement: the amounts and the organizational features.

The total amount in the conference agreement is \$15,350,000 less than the amount of the House bill. The total amount for military assistance is \$5,997,650,000 or \$15,350,000 less than the House had voted. The total amount for economic assistance is the same as that voted by the House. Although the totals are nearly the same as those approved by the House, the distribution between titles represents the adjustment made by the committee of conference. In no case does any authorization in the conference agreement exceed a figure authorized by either the House bill or the Senate amendment.

Generally speaking, the agreement restored funds for Europe and Asia, leaving the amounts for the Near East and the American Republics the same as those approved by the Senate. In the opinion of the committee of conference, Europe and Asia are the areas where the present need for assistance is most urgent.

At first glance the agreed amount appears to be more than that authorized by the House. The apparent discrepancy is in the different base used for calculation by House and Senate. The Senate amount was \$380,500,000, including the \$55,000,000 for strategic materials. On this basis the House amount would be \$1,040,000,000, consisting of \$985,000,000 for Europe and \$55,000,000 for strategic-material development contained in a

separate authorization in title VI of the House bill. Since the conference agreement provided that funds for strategic materials are to come from title I funds, the amount agreed upon is calculated in relation to comparable House and Senate figures. On this basis the agreed amount is actually \$18,000,000 less than the comparable House amount.

The House conferees were fully aware of the directive given to them by the House. With this in mind the conferees adjusted the amounts so as not to exceed the amount voted by the House.

Members may well ask why we restored funds to Europe at the expense of other regions of the world. We had to make a choice: Where are the funds needed most? In order to be sure of my ground, both in conference and here in the House, I cabled General Eisenhower to ask his judgment about the European scene. I believe the House would like to know what General Eisenhower said. Here are the principal parts of his reply to my cable:

When the committees of the Senate and the House of Representatives were here in connection with the mutual security program of fiscal 1952 * * * I indicated * * * that the proposed program of military aid was, in my judgment, a sound one from the standpoint of the rapid build-up of European military forces and of gain in terms of United States security. Also that an essential component in this over-all effort was the related program of economic aid for the support of national economies upon which the military build-up depends. Military and economic developments here since that time have merely emphasized the obvious conclusion that economic and military strength are inseparable.

It should be understood that no recommendation of mine is intended to urge upon the interested committees any expenditure that is beyond the United States capability to support during the critical years during which the current tensions may logically be expected to persist. Within these limits I believe that it is to our interest to accomplish the total build-up quickly and in a limited period of time, rather than risk the dangers and costs of dragging it out. The United States role is to provide the initial impetus to the program through assistance in the equipping of forces, with maintenance, replacement and other future outlays shouldered by the European nations at the earliest practicable time. I am keenly aware of the heavy burden being borne by the United States during this rearmament period, and of our necessary expenditures in the Far East where a critical phase of the global struggle against communism is in progress. We here clearly appreciate the necessity of careful congressional judgment in balancing the scale of aid against United States capacity. Nevertheless, any serious cuts in the end item program or of materials required for increased industrial production in Europe will delay completion of our build-up program and, in my judgment, increase therefore the total cost. I have pressed, and will continue to press our European allies to accelerate and expand, rather than retard and curtail their military effort. It is of great importance to our country's announced aims that nothing be done during the coming months to halt the growth of the military forces of the European countries. As an essential corollary, we must guard with greatest care against the threat of inflation and downward spiralling in the European strength and morale. Therefore, just as I stress the need for the maintenance of American

solvency, I urge the importance of adequate provision for the support of the industrial foundation required to carry out successfully the increase of forces now scheduled during fiscal year 1952. * * * In short, my attitude toward and my interest in the economic side is measured exclusively by its inescapable effect upon the over-all defense program. Therefore, I recommend that when final consideration is given to fixing the amount of military and economic aid from the United States under the fiscal year 1952 program, everything practicable be done to set the amount at a level which will adequately support the military build-up program as presented to the committee during their visit to Europe. With the complexity of this whole situation, it is obviously impossible to calculate the exact financial and economic requirements of Europe at this military headquarters. * * * Nevertheless, the relationship is so clear that, at the very least, a considerable degree of flexibility should be permitted in the administration of the funds provided.

General Eisenhower's cable convinced the conferees that within the limits allowed to them, Europe was a first priority—for economic as well as military assistance funds. This is why the title I amounts are very close to what the House voted. I am sure the House will agree that this is a judgment in the best interests of the United States.

The conference agreement also gives particular attention to Asia and the Pacific area.

The amounts agreed upon for this area—title III—are \$535,250,000 for military assistance, and \$282,500,000 for economic assistance. The economic assistance funds consist of \$237,500,000 for general economic assistance and \$45,000,000 for Korean rehabilitation work.

The \$535,250,000 for military assistance is the amount the Senate approved, and is \$5,250,000 more than the House-approved amount. The committee of conference felt that the critical situation in Indochina and other areas of Asia made the higher amount necessary.

The \$237,500,000 for general economic assistance is the amount approved by the House.

The \$45,000,000 for Korean rehabilitation represents a compromise between the token amount of \$11,250,000 voted by the House and \$69,750,000 voted by the Senate. The committee of conference agreed that although Korean rehabilitation cannot proceed at once, the amount available should be sufficient to enable planning and financial operations to go forward.

We recognized, however, that the requirements for Korean rehabilitation cannot at this time be fixed with any precision. Undoubtedly, the United States will be called upon in the future to assist in this matter. The amount agreed upon does not foreclose further requests; neither is it an assurance that this country will in the future shoulder the major burden of resolving this problem.

The conference agreement contains a provision permitting the transfer of up to 50 percent—\$22,500,000—of the funds for Korea to general economic and technical assistance in those parts of the region not under Communist control. The importance of strengthening the region against the encroachment of Com-

munist aggression on many fronts made this provision desirable.

The other major question before the conferees was organization. On this point, I believe the conference agreement embodies the essential principles that were in the House bill. These are:

First. Unified direction and control of and centralized responsibility for the mutual-security program.

Second. Termination of ECA as an agency forthwith and creation of a new agency to carry on any further activities.

Third. Completion of the European recovery program on schedule on June 30, 1952; and continuation of a military program until 1954.

The conference agreement provides an organization based on these principles.

On the first point—unified direction and control, and centralization of responsibility—the conference agreement creates a Director of Mutual Security, who will be in the executive office of the President, and whose appointment is subject to confirmation by the Senate. This officer, on behalf of the President and subject to his direction, has primary responsibility for continuous supervision and general direction of the assistance programs under this act. He also has primary responsibility for preparation and presentation of assistance programs to the Congress. The Director of Mutual Security is not required to make every day-to-day decision; indeed, he should not. His task is to pull together, and keep together, the various aspects of the mutual-security program. He will have the power of decision where conflicts of policy occur; he will be responsible to the President and to the Congress for the efficient operation of the mutual-security program.

The Director also has another major responsibility. He is the head of the new Mutual Security Agency—the successor to ECA. In this position he is directly responsible for the operation of all economic programs under this act except the point 4 program which remains in the Department of State.

The operating responsibility for the military-assistance program is in the Secretary of Defense. This is vital to the success of the program. The arrangement puts the Defense Department in charge of those activities it should control; but the Defense Department is subject to the continuous supervision and general direction of the Director in the White House, to assure unified direction and control.

On the second point—termination of ECA forthwith and creation of a successor agency—the conference agreement does just that. The important point here is that if we wait until 1952 to resolve the organization problem, the agency hangs suspended in midair, personnel leaves for other more certain fields, and the agency cannot do its job.

The new agency is the Mutual Security Agency, and is organized along the lines of ECA.

Members may say, "This is a sham—it only continues ECA under another name." If we did nothing about the law

under which the agency operates, this charge would be true. It is not, because we have clearly indicated—now—the course of policy as far as it can be determined at this time.

The ECA Act—the recovery program—has one more year to run. The new agency will operate under the existing ECA Act, but only until June 30, 1952.

After June 30, 1952, the new agency cannot provide economic assistance to any country for recovery purposes; and, except in joint control countries like Austria, Trieste, and Germany, none can be provided for programs other than mutual defense programs. These are defined as programs "designed to sustain and increase military effort, including—but not limited to—production, construction, equipment, and material in each country or groups of countries receiving United States military assistance.

This means a much more limited type of assistance; of the economic support for defense type and not just general economic assistance. And even this type of assistance will terminate on June 30, 1954.

Between now and June 30, 1952, the President can, of course, propose a broader policy of assistance than that provided in this act. That is his privilege. But, of course, the Congress can decide as it sees fit on the President's recommendations.

In my opinion, these provisions will carry out the mandate of the House to end the recovery program and thereafter confine our assistance to the support of the military effort so necessary to the free world.

The point 4 program has been left in the State Department where it now is. Although the House bill took it out of the State Department, the conference agreement does not violate the principle of the House bill.

The House bill established unified direction and control by putting the point 4 program in the new agency. The conference agreement preserves this principle by providing unified direction and control through the Director in the White House. He will not run the point 4 program—he is not expected to. He will coordinate it through the Secretary of State with the other assistance programs under this act.

This arrangement makes good sense. It preserves a long-term program, yet it assures that this program will be properly coordinated with other United States aid programs.

Mr. Speaker, on behalf of the House conferees I bring this report to the House confident that the House can and will accept it as a good bill, eminently workable, and wisely drawn in the interests of the United States. I urge its adoption.

Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. I want to compliment the gentleman for the fine leadership he has shown in connection with this very important measure which

might well mean the beginning of the end of communistic aggression throughout the world.

Mr. RICHARDS. I appreciate the gentleman's statement very much.

The SPEAKER. The time of the gentleman from South Carolina has expired.

Mr. RICHARDS. Mr. Speaker, I yield 15 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Speaker, before I go into any of the details of the conference report, I want to remind you what this is all about. This is not a struggle between the Foreign Affairs Committee and the Banking and Currency Committee; it is not a struggle between the House and Senate. This bill involves a program for carrying on the struggle of the free peoples of the world against the grim and deadly threat of godless, ruthless communism. That is what this is all about, and it may be your last chance, I surmise, at this session of the Congress to vote your convictions on what we ought to do in this struggle.

This conference report is the culmination of a gigantic labor of constructive legislative statesmanship by the House committee and by the conferees. I want to pay my tribute to our able and independent chairman, the gentleman from South Carolina [Mr. RICHARDS], to the House committee and staff for the work they have done in the past 3 months, and to the conferees from both Houses for the work they did in this long conference.

The organizational structure set up in this conference report is home-made on Capitol Hill. It did not come from the administration, it was not dictated by any outside organization. It was an attempt by Members of Congress to set up a structure that could best carry on an effective program of mutual security.

The administration came down with a suggestion that ECA be continued indefinitely and that the mutual security program be run by a thing called ISAC (International Security Affairs Committee), headed up by a man three layers down in the State Department. Instead of that, the conference report provides that ECA goes out on next June 30, as we provided it would when we first authorized it in the Eightieth Congress, and a new mutual security agency is set up with a director in the Executive Office of the President who is to be appointed by the President and confirmed by the Senate. He is given authority to pick his own help, provided the Budget Bureau approves. There is no way for the entire ECA payroll or any other payroll to be blanketed wholesale into this new organization. Restrictions as to the number of personnel, in the higher brackets and all the way down, are contained in this conference report because we want to see a cut in the personnel, both the superdupers at the top and the others farther down, as this program goes ahead.

After June 30, 1952, when ECA winds up, assistance is to be confined to programs designed to sustain and increase military effort, and mutual defense pro-

grams, with the exception of necessary support where we have joint control arrangements, as in Austria, Trieste, and in Germany. So that not only is this program more than a billion dollars below the amount presented by the Executive, but, if it is carried out effectively, this program may be smaller next year.

We provided definitely for the duties of the departments involved, and in this I think the conferees sharpened up the language even of the House bill. We provided definitely in section 506 for what the Secretary of Defense is to do. He is to attend to the determination, the procuring, delivery, and supervision of military end items, and the training of foreign military personnel. We provided in sections 505 and 507 that the Secretary of State is still to be the chief adviser on foreign-policy questions. We provided in section 501 and 503 what the duties of the Mutual Security Director are to be. We provided that half a billion dollars of the counterpart funds must be devoted exclusively to military purposes. We provided that as great an amount as possible, in no event less than 10 percent of economic aid, shall be by way of loans. This loan matter has come up earlier this afternoon. The fact that this Director is not to be put on the Board of the Export-Import Bank does not change the conference provision that he is required to make at least 10 percent of any economic aid in the form of loans. We are going to start again to get some money back on all of this.

There are detailed authorizations for each of the four areas covered by the bill and separate authorizations in each area for economic and military purposes, but then there are five provisions for flexibility because we recognize that in a critical period like this changes may be needed that cannot now be foreseen. There can be a 10-percent transferability between the four titles. In title I, which is Europe, there can be a 10-percent transferability between economic and military aid, because we became convinced that the wise use of additional economic aid devoted to military purposes might be an economy for the United States. Increased procurement and production abroad can result in both economic and military aid to those countries by a single expenditure of dollars. There can be a 50-percent transfer of the amount provided for Korean aid to other areas in Asia and there can be a 10-percent transfer of military weapons in title II in the Near East if that is found in our security interest.

We have provided good legislative machinery. It is up to the Executive to make it work. We have the plans spelled out on paper in this law, but no law can require or guarantee good administration. Good men must be appointed and guided to make any organization work well.

This program comes to you on an important day. We voted, by voice vote, a few moments ago, \$56,935,000,000 in defense appropriations. Why are we appropriating that amount? As the distinguished members of your committee of conference on that bill on both sides of the aisle told you, we are doing this

because of this threat of a grim and deadly struggle with Communist Russia that may break out at any time into world war III. If there is no such danger we are not justified in appropriating any such gigantic sum.

In acting on this conference report we are voting to authorize up to \$7,430,000,000, of which over \$7,000,000,000 is clearly for direct military purposes, \$5,997,000,000 is for military hardware, and all but about \$300,000,000 of the rest is directly for economic aid to increase the military effort in other countries. For what purpose? Because of the same grim and deadly threat that is involved in this \$56,000,000,000 appropriation we passed, the threat of communism.

Now there are those here who intend to balance their personal voting budgets by saying that they voted for the \$56,000,000,000 for our own forces but voted against the \$7,000,000,000 for other forces. I think you ought to think that over before you cast such a vote. A great many members voted against military aid authorizations in 1949 but after Korea, there was a final vote on authorizing military aid in July, 1950 there was only one House Member voted against it, and that was Marcantonio. He is not here any more. There was not a single member of the other body voted against it. That was because we all realized how important it was to have others besides United States troops, American boys, fighting our common enemy. If you voted for this vast military appropriation today and now vote against this conference report you may have to answer the question to your constituents and to your own conscience, in case war breaks out, as to why you voted to have American boys doing all the fighting, and voted against any arms at all for other nations willing to fight in our cause.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from California.

Mr. HINSHAW. May I say first to the gentleman that I intend to support this magnificent conference report. However, I should like to ask a question in the light of the last major address made by our distinguished and recently deceased colleague, the Honorable Karl Stefan, when he called attention to the fact that in our programs which we have set up under ECA and other agencies our ambassadors in foreign countries had declined to a status below that of the chief representative in those countries of our own country of ECA and other agencies, because these other people were dealing direct with those governments and hence our ambassadors were no longer in effect the chiefs of missions, although they still were so in title. I should like to have the gentleman comment on that.

Mr. VORYS. The conferees adopted a provision which was in the Senate bill and it appears on page 9 of the conference report, as follows:

SEC. 507. The President shall prescribe appropriate procedure to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

Therefore the criticism of our beloved departed friend is specifically answered in the conference report.

Mr. HINSHAW. I hope he has been able to read and understand this report.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Iowa.

Mr. GROSS. I do not consider this a magnificent conference report, and I do not intend to vote for it. I should like to ask the gentleman this question: He spoke about the situation a year ago. May I ask the gentleman how many more people are fighting in this war today with the United States than were fighting with us a year ago?

Mr. VORYS. Considerably more; but not enough. The gentleman is going to vote to cut off any possibility of having others fight on our side, and that is his right if he wants to, but I want to say that I regret that there are not more from other nations fighting beside us in Korea, whoever they are. Only about 10 percent are from the other United Nations. I think there should be far more than that. I am willing to arm them and bring more of our boys home. If there is a struggle in Europe or if the struggle in Asia increases, I want to see the other United Nations come in and fight beside us, and I want to make them able to fight.

In addition to saving American lives, I want to point out the economy involved in this. In the bill we passed earlier this afternoon there was \$19,800,000,000 to equip and maintain an American Army of a million and a half. For around one-third of that amount, or about \$7,000,000,000 under the present conference report, we hope to secure, equip, arm, and put into the field about 3,000,000 ground forces in other nations.

Under the bill before you now, because of the savings that can be made due to the fact that we do not pay, we do not clothe, we do not house these foreign troops, although we do furnish them a part of their arms, we obtain for the common cause twice the number of ground forces for a third of the money spent in putting American forces in the field.

Will they fight, these foreign troops? I think so. I know this, that the people in those countries over there under the guns of the Communists are not going to fight if they do not have arms and a plan. If we furnish arms and a plan, and I think we have a good plan, I believe they will stand up.

There are those who feel that the way to resist communism is to pick up our marbles all over the world and come home and wait until the Communists come here. I think if we did that the Communists would be on our borders soon. We know that there are countries to the south of us that are infested with communism. I think that if Europe fell and Asia fell to the Communists we would be in trouble soon. Having seen the devastated countries of Europe during and after World War II, I believe that we ought to arrange our foreign policy so that, if possible, our wars, if they must come, shall be fought

away from home. When we make our plans and our policies to do that, we are not merely being selfish. We give those in other lands a chance for their freedom when we give them a chance to fight for their homelands. When we do that, and attempt to keep war away from our shores, we are following, I think, an enlightened policy for our own security.

Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. Does not this resolve itself down to the simple proposition of whether or not we are willing to place weapons in the hands of the people of Europe and elsewhere so that they can defend themselves against this aggression which now threatens them?

Mr. VORYS. That is right.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Illinois.

Mr. MASON. How long has this ECA been going on? How many years?

Mr. VORYS. It will be 4½ years up to next June 30, and then it will be wound up. This bill provides that the whole mutual security agency shall wind up on June 30, 1954.

Mr. MASON. We are just now circumscribing, pin pointing, and specifying the rules under which ECA shall operate, and we are 4½ years late on that.

Mr. VORYS. No; the whole purpose of the ECA has been changed by Soviet aggression so that European recovery, which is almost completed now, were it not for the military threat, has to turn into mutual security in the face of the common danger.

Mr. MARTIN of Iowa. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. MARTIN of Iowa. As I understand it, with reference to the strategic and critical materials, the plan here is to set aside or allow the diversion rather than the earmarking specifically of not exceeding \$55,000,000 for such materials, and that is for developmental work rather than outright purchase.

Mr. VORYS. Yes; that is correct.

Mr. MARTIN of Iowa. And that is to be done supplementing the work of the ECA Administrator by the Director of Mutual Security working with the head of the Defense Minerals Administration.

Mr. VORYS. That is right. It is my fervent hope that the Mutual Security Director will do a better job than the ECA has ever done on strategic and critical materials.

Mr. MARTIN of Iowa. And it is not intended to take over any of his functions?

Mr. VORYS. No; but he is to work in cooperation with Defense Minerals Administration. There is a reference to that in the conference report.

Mr. ARMSTRONG. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. ARMSTRONG. The gentleman made reference to keeping war away from our shores. There is one war going

on away from our shores now in Korea. I want to ask the gentleman whether there is anything in this bill which contemplates using our allies in the United Nations, the free Chinese, who would like to get into that war to help us to win it.

Mr. VORYS. There is sufficient authorization of military funds for that purpose.

Mr. ARMSTRONG. Is that in this bill?

Mr. VORYS. Yes; in this bill. I might say that within any geographic area the amounts allocated to an individual country for military purposes are secret, and I think perhaps wisely so, but there are funds available for the purpose which the gentleman mentioned.

The SPEAKER. The time of the gentleman has expired.

Mr. RICHARDS. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, I am going to vote for this conference report, but I must record my disappointment that the conferees on the part of the House were not able to persuade the conferees from the other body, to go along with the administrative set-up which was in the House bill. You will recall that when ECA legislation was before us in 1948, our committee worked out a system whereby the direction of its activities and the coordination of the many agencies dealing with parts of it were centered in an independent administration with the status of a department, and the one man who was the head of it was given the rank of a Cabinet member. The law itself spelled out the procedures by which his work was to be coordinated with other departments and agencies, particularly the State Department, and the procedures by which any disagreements or conflicts were to be settled. The Economic Cooperation Administrator knew what his powers and functions were and what they were not. He could go right to work without endless months of jockeying or bickering with other agencies to determine jurisdictions and responsibilities.

Why has ECA cost only about \$12,000,000,000 instead of \$17,000,000,000 which the administration asked as a minimum, and most people predicted would not be enough? The major reason was the organizational set-up which the committee established in the statute, and which has worked better than I think anybody had a right to expect. Why in the world should that set-up be abandoned now?

May I digress for a moment to comment on the question just raised here: "Have we not had ECA for almost 4 years now, and the job is still with us?" I would like to state that it was the magnificent success of the economic recovery program and not its failure that led to the necessity for this military aid or mutual security program. The Soviet Union is determined to conquer the free world. It uses two main strategies—internal aggression and external aggression. Naturally it prefers the former where possible. In 1948, it was in the process of winning these European countries by internal aggression and subversion, aggravating and then exploiting

unemployment and hunger and unhappiness and unrest. Twenty-five percent of the people in some of the countries were voting the Communist ticket. The ECA was set up to help restore their economies so that people would have work, and production of commodities they needed and wanted, and stabilized currencies—something to fight for, and some hope to stimulate them to resist the efforts of the Communists within their borders. It succeeded. There is no substantial internal threat in any of those countries today. That success led inevitably to another threat. When the Kremlin could not win them over by subversion and by capitalizing on bad internal conditions, it had to turn to the threat or use of external aggression. I warned on this floor in March 1948 when we had the original ECA bill before us that the economic recovery program was not an alternative to a military program as it had originally been represented as being—it was already too late. Rather, it was in support of a military defense program. I repeat, it was the success and not the failure of the economic recovery program, which forced us in 1949 to start building up the military strength of these countries in order to give them the capacity to resist pressures from without as well as to overcome despair, unrest, and subversion from within.

But when the military-aid program was instituted 2 years ago a quite different pattern of administration, centered in the State Department, was used. It has not worked well. When it had to be stepped up this year to a \$7,000,000,000 program and the military features given dominance over the economy, the Government agencies involved were not able to agree on what kind of an administrative set-up to recommend. They quarreled among themselves during the first 5 months of this year. As you know, it was not until the last of May that the President finally sent up their suggestions to us and we had to try to settle what the agencies had not been able to resolve. That is why the bill is just now getting through at so late a date.

We worked out for our whole foreign-aid program, including military aid, economic aid in support thereof, and technical (point 4) assistance—essentially the same pattern of a single independent mutual security administration as had been successful beyond anyone's expectation under ECA. Every independent commission or agency like the Brookings Institution had recommended substantially that plan of organization. Paul Hoffman testified that the key to his success in doing the economic job successfully in a year's less time than had been anticipated and for twelve instead of seventeen billion dollars, was the administrative set-up prescribed in the law which gave him equal status with Cabinet members and the right to go to the President in case of unresolvable disagreement with the Secretary of State, the same as the latter could go to the President if unable to settle differences or conflicts or overlapping, after conference with the ECA Administrator. As

a matter of fact, not once did either have to go to the President due to the fact that the right was there in the statute. Of course another reason for the success of ECA was the superb job done by the men appointed as the Administrator, Paul Hoffman, followed by William Foster.

Now, contrast the immediate efficiency of ECA, with the floundering and internal disputes and inefficiency which has characterized this MDAP—the Mutual Defense Assistance Program for 2 years. A year ago last June when our committee was studying the bill for the second year of its operation, a high officer of one of the three branches of the armed services came to me off-duty at night in civilian clothes to report how badly it was bogged down. He was working with the program and was worried because the delays and disputes were losing precious months of time. He said, "The whole thing stinks; the administrative lines are so confused that we cannot get the program going in high gear."

I brought it up in committee meetings a day or two later when General Bradley was before us. The officer called me at home a few nights later to tell me a man hunt was going on in the Pentagon, not to find out who there or elsewhere was fouling the program up, but who had talked to Judd.

Well, Mr. Speaker, it is 16 months later and the program is still not going as it should. Let me read what a Senator from Massachusetts [Mr. LODGE] said in the Senate 2 days ago:

It is a very great disappointment to be compelled by the facts to announce that the shipments to General Eisenhower's forces are becoming little more than a trickle when compared with what they should be.

The figures are classified as secret, but some rough idea of the shocking inadequacy of these shipments is given when I say that, in my opinion, it is a fair guess that they are currently only about one-fifth as large as they should be. I hope the Foreign Relations Committee of the Senate, or a subcommittee thereof, or any individual Senator, or the subcommittee of the Armed Services Committee headed by the distinguished junior Senator from Texas [Mr. JOHNSON] will look into this matter to find what the trouble is, and to see whether we cannot keep faith with this North Atlantic Treaty obligation.

General Eisenhower and his staff and many of the people in Europe are doing a magnificent job, but they are being handicapped by administrative confusion here in Washington. I regret exceedingly that the system that worked so successfully under ECA, and which was in the House bill, was entirely scrapped in the Senate bill; and the conference report, while much nearer our bill than the Senate's, is still a hodgepodge that establishes not an independent Mutual Security Administration, but a Mutual Security Agency with a Director down about the third layer in the Executive Office of the President. I shall be surprised if it does not prove to be about the same as the present ISAC—International Security Affairs Coordina-

tor—down about the third layer in the State Department and probably with most of the same people. The conference report bill authorizes the President to "prescribe appropriate procedures to assure coordination." That is, the bill continues much of the same system that is not working, instead of the ECA type of organization which did work. It is disappointing and, in my opinion, is likely to prove far more damaging to the program's successful operation than the 12-percent cut in funds.

Mr. Speaker, I profoundly hope I am wrong. I know our conferees did all they could and I have great confidence in the judgment of my chairman the gentleman from South Carolina [Mr. RICHARDS], the gentleman from Ohio [Mr. VORVY], and the others. They seem to believe this thing will work. I hope they are right and that my fears will prove unjustified. I must vote for the conference report, because to do nothing is disaster. The point I have discussed is vital not just because of the money involved but because the speedy success of the program is so essential to our security; and speedy success depends upon good administration. I hope the President will appoint the best man in the country as Director and give him the same kind of authority as the ECA Administrator had under the ECA Act so the all-important objectives can be accomplished.

Mr. RICHARDS. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, like the gentleman from Minnesota [Mr. Judd] who just preceded me, I, too, feel that the conferees have done an excellent job. With him, however, I regret the impossibility of securing the administrative set-up that the House had provided. Further, however, I think that the conferees, considering the type of administration that the Senate had provided, have certainly come out very much better off. However, in the bill now before us what I particularly wanted to comment on are the changes made in the wording of one paragraph in which I personally was tremendously interested. This is section 509 of the House bill which allowed the military to make provision for the end items that are called for in this bill if they say fit to do so. Using the appropriations made for end items during the last 3 years which up to now have totaled about \$56,000,000,000. That was eliminated. I had hoped if that particular paragraph could be left in the bill the Appropriations Committee could determine from the military authorities the amount of goods in the form of end items that were going to be coming off their production lines. But as it stands I am afraid as far as appropriations are concerned it is going to prove a more expensive set of appropriations this year. I am hopeful that next year we can work it out so that what the foreign nations are doing in the way of arming themselves will be an integral part of our own security program and not just a further foreign-aid program.

Another thing: The language adopted by the conferees in section 506 (c) is subject to some misinterpretation. I am sure it is intended to grant greater flexibility to military authorities than they previously had under the old Mutual Assistance Act, but some people might read it to mean that they were hampered in the flexibility they previously had had. I think, however, I am correct in my interpretation that it was the intent of the conferees that greater flexibility was intended rather than lesser flexibility.

Mr. RICHARDS. Mr. Speaker, let me say to the gentleman from Massachusetts, who did such good work himself in writing this bill and who proposed the amendment that was adopted by the House he has just been discussing, that as I construe it, the purpose of the section is to do the very thing that the gentleman from Massachusetts said—give greater flexibility to provide military assistance in furtherance of the purposes of the Mutual Security Act in that field. I want to say to the House, too, that the figure of \$1,000,000,000 in this subsection was the direct result of what the gentleman from Massachusetts proposed to the House.

Mr. HERTER. I thank the gentleman very much. I think it is important that that flexibility be maintained so that there will be no misconstruction of the language as it now appears.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. RICHARDS. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. HILLINGS].

Mr. HILLINGS. Mr. Speaker, a few days ago I returned from a trip of more than 11,000 miles which took me through the countries of Western Europe and behind the iron curtain into the Communist zone of Germany. The trip took place while the House of Representatives was in a brief summer recess and was not made at the taxpayers' expense. My purpose was to study at first hand the conditions in Europe and the operation of our multi-billion dollar foreign aid program.

In the course of the trip I interviewed private citizens as well as officials of foreign governments such as Konrad Adenauer, Chancellor of the German Republic, Rene Plevin, Prime Minister of France, and many others. I also talked with American Ambassadors, ECA officials, consuls, and military commanders, and I had a particularly interesting discussion with General Eisenhower at SHAPE headquarters outside of Paris.

It would be impossible to discuss all of my observations and experiences in this brief report. However, I should like to report at this time some general comments on conditions in Europe and the operation of the foreign aid program:

First. The stories of widespread starvation and hunger in Western Europe cannot be substantiated. The average western European does not have the wide variety and quantity of food available to the average American, but there is no more real starvation in Western Europe than might be found in the United States itself.

The people of Germany, who lost the war, are eating better than the people

of England, who won the war. The British food situation is worse than that in any other country. The tight rationing and control imposed by the Socialist government forces the average family to rely on potatoes and other starches to make up the daily diet. Many Englishmen told me that more meat, eggs and other foods would be available if it were not for the fact that so much is being spent under the Labor Government for various socialistic services such as subsidies and government medicine. Incidentally, everyone I met in Britain, including members of the Labor Party, predicted that the Conservative Party under Churchill would win the next election, now scheduled for October 25.

Second. The billions of dollars the American taxpayers have pumped into Europe by way of economic aid have helped in stimulating postwar recovery.

However, my study of European economic conditions convinces me that the total effect of our aid has been misrepresented by the State Department. Actually, much of the money we have sent to Europe has been wasted. For example, I found that some ECA money has been used to build hotels in European cities which would not directly benefit the economic situation. In Italy a road was built at tremendous cost with United States funds but led to nowhere and was abandoned. We obviously gave the Europeans far more money than was actually necessary to stimulate the recovery of Europe. Perhaps the greatest factor of all in European recovery has been the amazing ability of the human race to readjust itself after a disaster. This human quality was probably the most important factor in the increase in present day production in France, Italy and Germany.

The average man in Europe today is not aware of the great sacrifices made by the American people to stimulate economic recovery abroad. Very few Europeans express gratitude or appreciation for American help. One of the reasons for this situation is the fact that the total amount of American aid has not been widely publicized. ECA officials told me that it would not be wise to explain the sacrifices of the United States taxpayers because the Europeans might resent the fact that some appreciation for our gifts was expected.

It is my conclusion that the time has come to curtail or drastically reduce future economic aid to Europe. Any further economic assistance can only be justified on the grounds of practical military necessity which would be needed directly in the military defense of Western Europe.

Third. There is no question but what our economic aid program has helped to strengthen Socialist governments in Europe, particularly in England. The British Labor Government would have long since fallen had it not been for the gifts of American dollars and equipment through the ECA. While I was in London, Prime Minister Attlee delivered a speech in which he quoted certain United States officials praising the "great accomplishments" he said the British Socialist regime had attained. By helping to keep socialism in power in England

we have virtually destroyed free enterprise and individual freedom in that nation. This has been a tragic result of what Americans have looked upon as a humanitarian effort to aid British economic recovery.

Fourth. Life behind the iron curtain is drab and dreary. In the Soviet zone of Germany I saw large numbers of Russian troops, all of them carrying rifles or machine guns and riding in vehicles of American manufacture. Most of the Red soldiers were youngsters in their teens. Huge pictures of Stalin and Lenin were everywhere along with signs and slogans proclaiming "peace and freedom under communism." The East German people look hungry and shabby by comparison with those in West Germany, and very few of the bombed-out buildings have been replaced. Many people are losing hope that they will ever be freed from Soviet tyranny.

Fifth. Do the Europeans possess the will to resist? The British people, although handicapped by a weakened economy under their Socialist government, can be counted on to stand with us in the defense of the west. The French have a defeatist attitude fanned by the fact that almost one-fourth of the people voted Communist in the last elections. However, the situation is improving as General Eisenhower's defense program begins to take its effect. Italy has the largest Communist Party element in Western Europe and most Italians are not eager to prepare to fight the Reds. The prospect of a change in the Italian Peace Treaty to allow more independence may help to obtain more cooperation from these people.

Germans in West Berlin are fiercely anti-Communist and probably would fight. Germans in other areas of Western Germany have not made up their minds on the question of rearmament however. They cannot be counted upon to join the fight against Red aggression unless they are given an equal status and responsibility in the European defense program. We need German troops and industry if we are to resist the Russians. To obtain this help we will have to replace the present occupation statute with a new contract provision granting greater independence to the Federal Republic.

Much can be done to minimize the risk of a return to Prussian militarism by rearming Germany. German divisions should be integrated in the new European army of General Eisenhower where they would have military equality but not control of defense plans. Armament industry should be dispersed among the European nations in such a way that Germany will not possess all of the armament industry necessary to sustain a complete war machine. The German industrial contribution, however, can help to ease the burden on the supply of military equipment now being carried by American industry and American taxpayers.

The United States must encourage European unity and help to supply military equipment to General Eisenhower's forces. At the same time, we must develop a "get tough" policy and demand that the European nations do more to help themselves. Too many people in

Europe are shirking their responsibilities and relying on America.

Only the people of Europe themselves can supply the "will to resist." We cannot buy friends with dollars.

(Mr. HILLINGS asked and was given permission to revise and extend his remarks.)

Mr. RICHARDS. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

(Mr. REES of Kansas asked and was given permission to revise and extend his remarks.)

Mr. REES of Kansas. Mr. Speaker, we have under consideration today legislation to provide for the expenditure of millions and billions of dollars for the rehabilitation of people in Europe. I would like to call your attention to a situation dealing with this problem that is at least interesting, and I think of considerable importance, to the American people.

A metropolitan newspaper under date of Monday, October 1, and under a New York headline, reports that an exodus of 3,000,000 people from Europe is planned under the Marshall plan, ERC, and the ECA.

It says that our Government has made it clear it is going to do everything possible to see that migration gets started. This article further states that the President told Premier de Gasperi of Italy that such plan would be carried out. The article says among other things that the United Nations will move hundreds of thousands of people from Western Europe to Canada, Australia, and Latin America. The principal reason given for such migration is because of unemployment.

Now I call your attention to a further statement that appears in the same paper on the same date and on the same page: It is entitled "Offers a Labor Pool." The date line is Ottawa, Canada, September 30.

This statement says:

Canada has asked the United States Immigration Service for permission to export hundreds of jobless Canadians to Cleveland, Buffalo, and Detroit, the Labor Department here disclosed.

The statement further says that most Canadians would enter the United States from Ontario and that 3,000 registered unemployed would be included in the group. So it appears in short that the United States is going to help migrate people from Italy to Canada under an agreement already made by those countries, and then in turn, under an agreement with Canada, we permit thousands of unemployed to enter the United States. It looks like a back-door policy. What do you think about it? Both statements are included herewith:

EXODUS OF 3,000,000 PLANNED—WORKERS FROM WESTERN EUROPE MAY GO TO NATIONS WHERE THEY ARE NEEDED

NEW YORK, September 30.—Three million workers in Western Europe will go on the world's bargain counter this week in Naples. There, October 2, will open a momentous international conference of 30 democratic countries which hope to initiate a vast migration program from free Europe's overpopulated areas to lands where workers are needed desperately.

If this program succeeds in evacuating Europe's wasted population, moth-balled since the war, it may mean, within a few years, real prosperity for Western Europe, a new and better life for Europe's chronic unemployed, and, not least, a concomitant whopping reduction in America's annual tax bill.

The conference is under the auspices of the International Labor Organization, whose matchmaking assignment from the United Nations is to do something about moving hundreds of thousands of people in Western Europe immediately to Canada, Australia, and Latin America, where they are assured of a real chance to build new lives for themselves and their families.

Simply put, Europe can't prosper unless it exports, during the next 5 years, at least 3,000,000 workers. Italy, Greece, the Netherlands, Austria, and Western Germany are being strangled by people they can't feed, clothe, or house, let alone, gainfully employ. The Marshall plan, ERP, ECA, European economic integration—all these are aspirin tablets for Europe's surplus population headache.

President Truman and Congress have made it clear that our Government is going to do everything possible to see to it that migration gets started. That, for example, is what the President told Premier Alcide de Gasperi of Italy, on his recent Washington visit. The shrewd De Gasperi may fret publicly about Trieste's disposition, or declaim about the Italian Peace Treaty revision, but privately he pleaded in Washington for help and speed in getting rid of several hundred thousand unwanted countrymen.

OFFERS A LABOR POOL—UNITED STATES WOULD BE SENT HUNDREDS OF JOBLESS MEN BY CANADA

OTTAWA, CANADA, September 30.—Canada has asked the United States Immigration Service for permission to export hundreds of jobless Canadians to Cleveland, Buffalo, and Detroit, the Labor Department here disclosed.

Most of the Canadians would enter the United States from Windsor, Ontario. Canada's motor city, which has 3,000 registered unemployed because of cut-backs in car production.

Arthur MacNamara, Canadian Deputy Labor Minister, said he had no idea of the number of Canadians who could be absorbed into American industries, which reportedly are short of men because of the draft in the United States.

Canada, concentrating its defense effort on production, has no draft.

Mr. RICHARDS. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Speaker, it is possible under this bill to do many things. In particular do I now call attention to one needed thing. Iran is now closed to British influence, but that does not mean Iran is ready to cast her lot with the Communists. Iran is not closed to American influence. She respects this Nation, wants to work with us.

Iran desperately needs her oil industry. She would, I believe, welcome American help in its operation. More than a key industry is involved here. Also involved is a key nation in a key area in the struggle between democracy and communism.

We can step into the vacuum left by the departing British. If we fail, or if we delay, Russia surely will move in. But if the free world loses Iran's friendship—and her oil—it will be by default, not by Iran's choice.

The leadership should be taken by our Government. This bill can provide the means if means are needed.

(Mr. SIKES asked and was given permission to revise and extend his remarks.)

Mr. RICHARDS. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. JAVITS].

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

Mr. JAVITS. Mr. Speaker, I hope the House will approve this conference report for the fundamental reason it shows to especially our allies of Europe, who are trying to rally their forces under General Eisenhower, that we want allies and that we will not go it alone and that that is the answer to those who would have us go it alone.

This is a new program and they are undertaking a new program. We are saying to them that we will back it up.

In answer to those who spoke about Korea, and about which I feel exactly as the gentleman from Ohio [Mr. VORHS], may I say that we are not buying friends. Those who come here and tell us that people do not like us miss the main point. We are not buying friends. We are trying to arm people who are for free institutions so that they are independent, economically strong, and able to defend themselves. That is what will defend the great areas of the world against communism. When they get to that point I feel, and those who have been backing this program feel, they are better able to make their contribution to the resistance of aggression in places like Korea. That is the fundamental basis for this program.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. RICHARDS. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. RANKIN].

(Mr. RANKIN asked and was given permission to revise and extend his remarks and include extraneous matter.)

[Mr. RANKIN addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. RICHARDS. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, there are quite a number of Members of this House who have been here longer than I, but on the 3d day of next January, at 12 o'clock meridian, God willing, I shall have served in this body 13 years. During that period it has been my privilege to serve on several committees and missions engaged in the work of this House. One of them was the Air Accident Investigating Committee many years ago, and after the war was over I was one of the first Members appointed to the Joint Committee on Atomic Energy. Subsequently, it was by honor to be vice chairman of the Congressional Aviation Policy Board and chairman of its Subcommittee on Combat Aviation. During that period of time, and since, it has been my privilege to sit with the best informed men in the Military Establishment and many civilians who know something about this business.

Just the other day—day before yesterday, I believe it was—the President made an announcement that a second atomic explosion had occurred in the Soviet Republics. That is something that should give pause to every Member in this body. There were many who thought that the first explosion might have been an accident, but I do not think that you can trust the second one to be any accident.

Many of us will remember the events that preceded World War II, and how so many Members of this House hated to see that happen, but in expressing their distaste for that war, however you might want to look at it for yourself, they may have thereby jeopardized the effort that our country was attempting to make. Let us not do that now because these are times equally full of dynamite as the days before World War II.

It is my hope that by doing everything that we may reasonably be able to do—and, I say to the gentleman from Mississippi, without bankrupting ourselves—that we may ward off world war III. One of the biggest reasons why World War II happened was because the United States crawled into its shell and said that we did not want to have anything to do with anything that went on abroad; “a plague on all of your houses”; and by so doing we upset the balance of power in the world and thereby encouraged the strong nation—the aggressor nation—to attack the weak.

Let us not do that this time. We are the only nation fit and able to defend freedom today. We need badly to have other nations fit, able, and willing to defend their own freedom and hence the principle of freedom. ECA has done great things in spite of its many defects, but it will expire next June 30. This bill is designed to help those other nations to the point where they may defend themselves and join us in defense of freedom. I shall support the conference report.

Mr. RICHARDS. Mr. Speaker, I yield such time as he may desire to the gentleman from Montana [Mr. MANSFIELD].

(Mr. MANSFIELD asked and was given permission to revise and extend his remarks.)

Mr. MANSFIELD. Mr. Speaker, I rise to support the conference agreement on the mutual security bill. This measure has already been fully debated by both Houses. The separate versions that resulted were sent to conference and the House now has an opportunity to compare the text agreed upon by both Houses through their conferees with the text of the bill as it passed this House last August. Members of this body may indulge in a large measure of satisfaction that the bill presently before the House contains so much of the original House thinking on this subject.

Before I touch on some of the details of the conference agreement, I want to pay my respects to my fellow conferees in both Houses. There were fundamental disagreements in the two versions of the bill. But no bitterness or pettiness showed itself in the search for agreement. Members of both Houses and of both parties displayed a high degree of

statesmanship. The genial chairman of the Foreign Affairs Committee has expressed his appreciation for the support that we in this body gave him during the conference. May I state for the record, however, that the gentleman from South Carolina showed himself a first-rate tactician and diplomat in advancing the views of this body. The other House conferees were equally diligent in championing the House views and gave unstinted support to the chairman.

The chairman has already explained the two major agreements on amounts and organization. I would like to explain some of the agreements reached on other points.

In the House bill the point 4 program was put under the jurisdiction of the Mutual Security Administrator. The Senate did not share this view. The conferees discussed at length the administration of this program. It was recognized that the point 4 program is unique in several ways. It is a long-time venture; it operates with modest means; its emphasis is on the improvement of grass roots areas rather than on purely military factors.

I must say that during the hearings on this bill I was tremendously impressed, as were many of my colleagues, by the character of the Director of the point 4 program, Dr. Henry G. Bennett. His presentation of evidence was marked by a refreshing simplicity. He had no visions of bureaucratic “empire building.” He recognized that the current world situation called for two programs—the emergency big-grant program geared to the military needs and the long-range program with its emphasis on the rural approach. It was his convincing analysis of the program that led me, and I am sure many others, to the conclusion that the present administrative features of the program should not be disturbed. The success of the Institute of Inter-American Affairs in carrying out a similar program only strengthened my findings. Under these circumstances it was deemed desirable to insert section 508. Yet we were aware that, if unified direction of our foreign assistance program is to be achieved, both of these programs must be coordinated with the larger elements of that program. This coordination will be achieved through the Secretary of State to whom the President has delegated the administration of the point 4 program.

Technical development programs operated by ECA in southeast Asia will be under the Director. After June 1952 he assumes primary responsibility for the development and administration of programs of assistance designed to sustain and increase military effort, including production, construction, equipment and materials in each country or in groups of countries which received United States military assistance. The key word in this directive is “effort.” The inclusion of this word will permit continued operation of STEM missions in the Philippines, Thailand, Formosa, and Indochina. Assistance to other nations will be carefully screened to determine

whether they contribute to increased military effort. Further aid to them will depend, in a large measure, on their foreign policy.

In discussing appropriations that are authorized under this bill the chairman noted that up to \$55,000,000 for strategic material development may be taken from title I. No one will dispute the importance of embarking on such a program. The ECA Administrator already has power to procure these materials and stimulate their production abroad. Under this bill the Director for Mutual Security will assume these powers.

The Defense Production Act empowers the President to make purchases of and commitments to purchase metals, minerals, and other materials for Government use or resale and to encourage exploration, development, and mining of strategic and critical materials both in the United States and in foreign countries. By Executive order the President has delegated these functions to the Administrator of the recently created Defense Materials Procurement Agency.

It would appear that in participating countries under the Economic Cooperation Act there may be some overlapping in the responsibilities of the Director for Mutual Security and the Defense Materials Procurement Administrator. The conferees considered a proposal to transfer to the President the functions relating to the foreign procurement and development of so-called deficient materials in order that he might delegate this ECA authority to the Defense Materials Procurement Administrator. But they decided that these functions should be vested along with the other ECA functions in the Director for Mutual Security.

While the language of section 514 of this bill is silent on the relationship between the Director for Mutual Security and the Defense Materials Procurement Administrator, the conferees envisioned the utmost cooperation and assistance between them to achieve a common objective. As I study the history of this problem and the language and the intent of this section, I expect that the Director will find it appropriate to delegate to the Defense Materials Procurement Administrator, at least to some extent, the performance of these functions in participating countries. This is in line with the remarks of the gentleman from Iowa [Mr. MARTIN] earlier today. Certainly that would be the orderly, efficient, and least costly way of carrying out this section.

One section of this bill deserves more attention than it has received. I refer to section 528 (b). This encourages countries receiving technical assistance to establish fair labor standards of wages and working conditions and management-labor relations. The significance of this language is twofold. The application of this philosophy will assure an improved and more stable economic base in those countries and thereby contribute to their political stability. The American worker will not be victimized by competition with cheap foreign labor. It was not possible to draft more precise

or binding language. But it is the confident expectation of the conferees that the administrator of the point 4 program will lose no opportunity to carry out the intention of this section.

Closely connected with these provisions are those of section 516. The conferees drew upon ideas presented in the House and Senate versions. Briefly, this section calls for the administration of the mutual-security program so as to encourage free private enterprise, discourage cartels and monopolies, and encourage the free-labor movement. These, of course, are not new principles for the Congress. It has endorsed similar principles on many occasions. This seemed an appropriate time to urge upon our friends abroad that they move toward these objectives at the same time that they strengthen themselves against external threats. The acceptance of these principles, I believe, will add to their strength at home.

Mr. Speaker, this is one of the most carefully drawn bills to be presented to the Congress in recent years. No one can accuse its supporters of indifference to the American taxpayers. Each authorization was carefully examined and, where the judgment of the members determined it was possible, was pruned. We have written into this bill administrative machinery that focuses responsibility through centralization. We have responded to the conditions of the time by putting the bulk of our aid on the military side. The future measure of our economic assistance abroad—except for a few hardship cases—will be the degree to which that assistance will further the military effort. We have determined upon a target date for the termination of our assistance, thereby assuring our people that we are not committed to aid in perpetuity.

I am immensely proud that this body has assumed the initiative in shaping this measure. The impress of the House is upon every section. I believe it is a good bill—sound in its principles and prudent in its provisions. I urge its passage.

Mr. RICHARDS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from South Carolina [Mr. RICHARDS].

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 235, nays 98, not voting 95, as follows:

[Roll No. 191]

YEAS—235

Abbitt	Armstrong	Baring
Addonizio	Aspinall	Barrett
Albert	Ayres	Bates, Mass.
Allen, Calif.	Bailey	Battle
Angell	Bakewell	Beckworth

Bender	Granahan	Meador
Bennett, Fla.	Granger	Morrow
Blatnik	Grant	Miller, N. Y.
Bolling	Green	Mills
Bolton	Greenwood	Mitchell
Bonner	Hale	Morgan
Bosone	Hall	Morton
Boykin	Edwin Arthur	Moulder
Brown, Ga.	Hall	Multer
Brownson	Leonard W.	Mumma
Bryson	Halleck	Murdoch
Buchanan	Hardy	Murray, Tenn.
Burleson	Harris	Norblad
Burnside	Harrison, Va.	O'Brien, Ill.
Burton	Hart	O'Brien, Mich.
Bush	Havenner	O'Neill
Byrnes, Wis.	Hays, Ark.	Ostertag
Camp	Hays, Ohio	O'Toole
Canfield	Hedrick	Patman
Cannon	Heller	Patten
Carlyle	Herlong	Patterson
Carnahan	Herter	Perkins
Case	Heseltun	Pickett
Chatham	Hill	Poage
Chiferfield	Hillings	Polk
Cluevoff	Hinshaw	Price
Colmer	Holmes	Priest
Combs	Hope	Rains
Cooley	Hunter	Reams
Cooper	Ikard	Rhodes
Corbett	Irving	Ribicoff
Cotton	Jackson, Wash.	Richards
Coudert	Jarman	Riehlman
Cox	Javits	Riley
Crosser	Johnson	Roberts
Crumpacker	Jones, Ala.	Robeson
Cunningham	Jones, Mo.	Rodino
Curtis, Mo.	Jones	Rogers, Colo.
Dague	Hamilton C.	Rogers, Fla.
Davis, Ga.	Jones	Rogers, Mass.
Davis, Tenn.	Woodrow W.	Sasser
Dawson	Judd	Saylor
DeGraffenried	Karsten, Mo.	Scott, Hardie
Denny	Kean	Scott
Devereux	Keating	Hugh D., Jr.
Dingell	Kee	Seely-Brown
Donohue	Kelley, Pa.	Shelley
Doughton	Kelly, N. Y.	Sheppard
Doyle	Kerr	Sikes
Eaton	Kersten, Wis.	Smith, Miss.
Eberhart	Kilday	Spence
Elliott	King	Springer
Ellsworth	Kirwan	Steed
Engle	Klein	Stigler
Evins	Kluczynski	Sutton
Fallon	Lane	Tackett
Feighan	Lanham	Talle
Fenton	Lantaff	Taylor
Fernandez	LeCompte	Teague
Fine	Lesinski	Thomas
Forand	Lind	Thornberry
Ford	Lyle	Tollefson
Forrester	McCarthy	Trimble
Frazier	McConnell	Van Zandt
Fugate	McCormack	Vorys
Fulton	McGuire	Walter
Furcolo	McKinnon	Watts
Garmatz	Machrowicz	Welch
Gary	Mack, Wash.	Whitaker
Gavin	Madden	Wickersham
Golden	Magee	Wier
Goodwin	Mahon	Wigglesworth
Gordon	Mansfield	Wolverton
Gore	Marshall	Yorty
Graham	Martin, Mass.	Zablocki

NAYS—98

Aandahl	Davis, Wis.	Martin, Iowa
Abernethy	D'Ewart	Mason
Adair	Dolliver	Morris
Allen, Ill.	Dondero	Nelson
Andersen	Dorn	Nicholson
H. Carl	Elston	Norrell
Anderson, Calif.	Fisher	O'Hara
Andresen	George	Passman
August H.	Gross	Potter
Andrews	Gwinn	Poulson
Arends	Hagen	Rankin
Barden	Hand	Reece, Tenn.
Beamer	Harden	Reed, Ill.
Belcher	Harrison, Wyo.	Reed, N. Y.
Bennett, Mich.	Harvey	Rees, Kans.
Bentsen	Hoeven	Regan
Berry	Hoffman, Ill.	Rogers, Tex.
Betts	Hoffman, Mich.	St. George
Bishop	Horan	Schwabe
Blackney	Hull	Secret
Bow	Jenison	Shafer
Bray	Jenkins	Simpson, Ill.
Brehm	Jonas	Simpson, Pa.
Budge	Kearns	Smith, Kans.
Burdick	Larcade	Smith, Wis.
Butler	Love	Stockman
Chenoweth	McDonough	Taber
Church	McGregor	Thompson
Cole, Kans.	McVey	Mich.

Vail	Whitten	Withrow
Van Pelt	Williams, Miss.	Williams, N. Y.
Vursell	Wilson, Tex.	Wood, Ga.
Weichel	Winstead	Wood, Idaho
Wheeler		

NOT VOTING—95

Allen, La.	Gathings	Preston
Anfuso	Gregory	Prouty
Auchincloss	Hébert	Quinn
Baker	Heffernan	Rabaut
Bates, Ky.	Hess	Radwan
Beall	Holifield	Ramsay
Boggs, Del.	Howell	Redden
Boggs, La.	Jackson, Calif.	Rivers
Bramblett	James	Rooney
Brooks	Jensen	Roosevelt
Brown, Ohio	Kearney	Sabath
Buckley	Kennedy	Sadlak
Buffett	Keogh	Scrivner
Busbey	Kilburn	Scudder
Byrne, N. Y.	Latham	Sheehan
Celler	Lucas	Short
Chelf	McCulloch	Sieminski
Clemente	McGrath	Sittler
Clevenger	McMillan	Smith, Va.
Cole, N. Y.	McMullen	Staggers
Crawford	Mack, Ill.	Stanley
Curtis, Nebr.	Miller, Calif.	Thompson, Tex.
Deane	Miller, Md.	Velde
Delaney	Miller, Nebr.	Vinson
Dempsey	Morano	Werdel
Denton	Morrison	Wharton
Dollinger	Murphy	Widnall
Donovan	Murray, Wis.	Willis
Durham	O'Konski	Wilson, Ind.
Flood	Philbin	Woodruff
Fogarty	Phillips	Yates
Gamble	Fowell	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Auchincloss for, with Mr. Werdel against.
 Mr. Vinson for, with Mr. Velde against.
 Mr. Denton for, with Mr. Busbey against.
 Mr. Hess for, with Mr. Sheehan against.
 Mr. Kearney for, with Mr. Jensen against.
 Mr. Flood for, with Mr. McCulloch against.
 Mr. Cole of New York for, with Mr. Short against.
 Mr. Mack of Illinois for, with Mr. Woodruff against.
 Mr. Smith of Virginia for, with Mr. Hébert against.

Until further notice:

Mr. Quinn with Mr. Baker.
 Mr. Clemente with Mr. Boggs of Delaware.
 Mr. Keogh with Mr. Kilburn.
 Mr. Delaney with Mr. Latham.
 Mr. Morrison with Mr. Wilson.
 Mr. Donovan with Mr. Sittler.
 Mr. Miller of California with Mr. Scudder.
 Mr. Bates of Kentucky with Mr. Radwan.
 Mr. Anfuso with Mr. Gamble.
 Mr. Gregory with Mr. Beall.
 Mr. Preston with Mr. Jackson of California.
 Mr. Heffernan with Mr. James.
 Mr. Philbin with Mr. Curtis of Nebraska.
 Mr. Howell with Mr. Cleveland.
 Mr. McGrath with Mr. Buffett.
 Mr. Rabaut with Mr. Brown of Ohio.
 Mr. Boggs of Louisiana with Mr. Blamblett.
 Mr. Sieminski with Mr. Crawford.
 Mr. Murphy with Mr. Sadlak.
 Mr. Gathings with Mr. Widnall.
 Mr. Celler with Mr. Wharton.
 Mr. Dollinger with Mr. Prouty.
 Mr. Buckley with Mr. Miller of Nebraska.
 Mr. Allen of Louisiana with Mr. Morano.
 Mr. Roosevelt with Mr. Scrivner.
 Mr. Rooney with Mr. Phillips.
 Mr. Staggers with Mr. Murray of Wisconsin.
 Mr. Rivers with Mr. O'Konski.

The doors were opened.

A motion to reconsider was laid on the table.

AUTOMOBILES FOR CERTAIN DISABLED VETERANS

Mr. TEAGUE. Mr. Speaker, I call up the conference report on the bill (S.

ESTIMATES OF APPROPRIATION TO CARRY OUT THE
PURPOSES OF THE MUTUAL SECURITY ACT OF 1951

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

ESTIMATES OF APPROPRIATION FOR THE FISCAL YEAR 1952, IN
THE AMOUNT OF \$7,527,527,790, TO CARRY OUT THE PURPOSES
OF THE MUTUAL SECURITY ACT OF 1951 (PUBLIC LAW —, 82D
CONG.)

OCTOBER 5, 1951.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, October 5, 1951.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of
the Congress estimates of appropriation for the fiscal year 1952, in
the amount of \$7,527,527,790, to carry out the purposes of the Mutual
Security Act of 1951 (Public Law —, 82d Cong.).

The details of the estimates, the necessity therefor, and the reasons
for their submission at this time, are set forth in the attached letter
from the Director of the Bureau of the Budget, with whose com-
ments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

2 ESTIMATES OF APPROPRIATION—MUTUAL SECURITY ACT, 1951

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., October 5, 1951.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration proposed estimates of appropriation for the fiscal year 1952, in the amount of \$7,527,527,790, for carrying out the purposes of the Mutual Security Act of 1951 (Public Law —, 82d Cong.), as follows:

MUTUAL SECURITY

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1951 (Public Law —, approved —), \$7,527,527,790, which shall be available as follows:

Military assistance, title I: For assistance authorized by section 101 (a) (1), \$5,072,476,271, of which \$44,476,271 is for payment of obligations incurred under authority granted in the Second Supplemental Appropriation Act, 1950, and extended in the Foreign Aid Appropriation Act, 1951, to enter into contracts under the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604); and, in addition, contract authorizations and unexpended balances of appropriations heretofore made for carrying out the purposes of title I of the Mutual Defense Assistance Act of 1949, as amended, shall remain available through June 30, 1952, and such unexpended balances of appropriations shall be consolidated with this appropriation;

Economic and technical assistance, title I: For assistance authorized by section 101 (a) (2), \$1,022,000,000; and, in addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), shall remain available through June 30, 1952, and be consolidated with this appropriation;

Military assistance, title II: For assistance authorized by section 201, \$396,250,000; and, in addition, unexpended balances of appropriations heretofore made for assistance to Greece and Turkey, available for the fiscal year 1951, pursuant to the Act of May 22, 1947, as amended (22 U. S. C. 1401-1410), and for assistance to Iran pursuant to the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), shall remain available through June 30, 1952, and be consolidated with this appropriation;

Economic and technical assistance, title II: For assistance authorized by section 203, \$160,000,000;

Military assistance, title III: For assistance authorized by section 301, \$535,250,000; and, in addition, unexpended balances of appropriations heretofore made for the purposes of title III of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1602-1604), shall remain available through June 30, 1952, and be consolidated with this appropriation;

Economic and technical assistance, title III: For assistance authorized by section 302, \$237,155,866; and, in addition, unexpended balances of funds heretofore made available for carrying out the purposes of the China Area Aid Act of 1950 (22 U. S. C. 1547), shall remain available through June 30, 1952, and be consolidated with this appropriation;

Contributions to United Nations Korean Reconstruction Agency, title III: For the United States contribution to the United Nations Korean Reconstruction Agency as authorized by section 303, \$45,000,000; and, in addition, unobligated balances of the appropriations heretofore made, and available during the fiscal year 1951, for assistance to Korea under authority of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1543, 1551, 1552), shall remain available through June 30, 1952, and be consolidated with this appropriation;

Military assistance, title IV: For assistance authorized by section 401, \$38,150,000;

Technical assistance, title IV: For assistance authorized by section 402, \$21,245,653.

GENERAL PROVISIONS

Appropriations in this Act under the heading "Mutual Security" for economic and technical assistance, and allocations from any appropriations under such heading to the Director for Mutual Security or the Mutual Security Agency, shall be available, without limitation on any authority conferred by the Mutual Security Act

of 1951 or any Act continued in effect thereby, for rents in the District of Columbia; expenses of attendance at meetings concerned with the purposes of such appropriations; hire of passenger motor vehicles; purchase of not to exceed ten aircraft for use outside the continental limits of the United States and maintenance, operation, and hire of aircraft; purchase of not to exceed fifty passenger motor vehicles for use outside the continental limits of the United States and, in addition, passenger motor vehicles abroad may be exchanged or sold and replaced for an equal number of such vehicles; transportation of privately owned automobiles; entertainment within the United States (not to exceed \$20,000); exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); loss by exchange; expenditures (not to exceed \$50,000; of a confidential character other than entertainment provided that a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director or Deputy Director of Mutual Security, and every such certificate shall be deemed a sufficient voucher for the amount therein specified; insurance of official motor vehicles in foreign countries; acquisition of temporary quarters outside the continental limits of the United States to house employees of the United States Government by rental (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, or construction and necessary repairs and alterations to such temporary quarters; health and accident insurance for foreign trainees and technicians while en route or absent from their own countries participating in activities authorized under the Mutual Security Act of 1951; actual expenses of preparing and transporting to their former homes in the United States or elsewhere the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under the Mutual Security Act of 1951; and services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for purposes of providing such services the Public Health Service may appoint not to exceed 20 officers in the Regular Corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed 20 commissioned officers in addition to those otherwise authorized.

The necessity for the estimates was fully detailed in the message from the President of the United States recommending a Mutual Security Program, transmitted to the Congress on May 24, 1951.

The estimates include \$44,476,271 for payment of obligations incurred under authority previously granted to enter into contracts under the Mutual Defense Assistance Act of 1949, as amended. The remainder of the estimates, totaling \$7,483,051,519, are within the authorizations for individual sections and titles contained in H. R. 5113 as reported September 27, 1951, by the committee of conference of the Senate and the House of Representatives. The authorizations in this bill—exclusive of the \$44,476,271 provided for payment of contract obligations previously incurred—total \$7,483,400,000. The estimates contained herein have been reduced \$348,481 below the authorized amount because of the fact that unobligated balances in this amount will be carried forward from fiscal year 1951.

Submission of the estimates has been delayed until this time to await the action of the Congress on the Mutual Security Act.

I recommend that the foregoing proposed estimates of appropriation be transmitted to the Congress.

Respectfully yours,

F. J. LAWTON,
Director of the Bureau of the Budget.

The first amendment of the Committee on Appropriations was, under the heading "Chapter I—District of Columbia—Office of Civil Defense—Salaries and expenses," on page 2, line 15, after "(5 U. S. C. 55a)", to strike out "234,-000" and insert "\$600,000."

The amendment was agreed to.

The next amendment was, under the heading "Chapter III—Legislative branch," on page 3, after line 2, to insert:

SENATE

SALARIES, OFFICERS AND EMPLOYEES

Office of the Secretary: For an additional amount (effective on the first day of the first month following enactment of this act) to increase the basic salary of parliamentarian from \$8,000 to \$12,500 so long as the position is held by the present incumbent; and for the basic salary of assistant parliamentarian to be selected by the parliamentarian, \$5,940; \$7,120, and the Legislative Branch Appropriation Act for the fiscal year 1952 hereby is amended accordingly.

The amendment was agreed to.

The next amendment was, under the subhead "House of Representatives," on page 3, after line 14, to insert:

For payment to Eleanor M. Fellows, widow of Frank Fellows, late a Representative from the State of Maine, \$12,500.

The amendment was agreed to.

The next amendment was, on page 3, after line 17, to insert:

For payment to Winifred Gillette, widow of Wilson D. Gillette, late a Representative from the State of Pennsylvania, \$12,500.

The amendment was agreed to.

The next amendment was, on page 3, after line 20, to insert:

For payment to Ruth M. Vaughn, widow of Albert C. Vaughn, late a Representative from the State of Pennsylvania, \$12,500.

The amendment was agreed to.

The next amendment was, at the top of page 4, to insert:

For payment to Ida Stefan, widow of Karl Stefan, late a Representative from the State of Nebraska, \$12,500.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses of the House," on page 4, after line 11, to insert:

For payment to James C. Davis, contestee, for expenses incurred in the contested election case of Lowe versus Davis, as audited and recommended by the Committee on House Administration, \$1,275.

The amendment was agreed to.

The next amendment was, on page 4, after line 15, to insert:

For payment to Thomas B. Curtis, contestee, for expenses incurred in the contested election case of Karst versus Curtis, as audited and recommended by the Committee on House Administration, \$1,460.

The amendment was agreed to.

The next amendment was, on page 4, after line 19, to insert:

For payment to Raymond W. Karst, contestant, for expenses incurred in the contested election case of Karst versus Curtis, as audited and recommended by the Committee on House Administration, \$1,889.

The amendment was agreed to.

The next amendment was, under the heading "Chapter III—Department of

Justice," on page 6, after line 2, to insert:

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses," \$3,000,000; and appropriations granted under this head shall be available for the purchase of not to exceed 50 additional passenger motor vehicles.

The amendment was agreed to.

The next amendment was, under the subhead "Federal prison system," on page 6, after line 8, to insert:

BUILDINGS AND FACILITIES

For an additional amount for "Buildings and facilities," \$400,000, for construction of a complete Federal jail at Anchorage, Alaska, on a site to be selected by the Attorney General.

The amendment was agreed to.

The next amendment was, on page 6, after line 18, to insert:

DEPARTMENT OF COMMERCE

CIVIL AERONAUTICS' ADMINISTRATION

Claims, Federal Airport Act

For an additional amount for "Claims, Federal Airport Act," \$944,605, to remain available until June 30, 1953, as follows: Municipal Airport, Santa Fe, N. Mex., \$71,-444; Malcolm-McKinnon Airport, Glynn County, Ga., \$36,340; Municipal Airport, Lakeview, Oreg., \$16,627; Manteo Airport, Dare County, N. C., \$29,458; Municipal Airport, Shreveport, La., \$238,281; Hyannis Municipal Airport, Barnstable, Mass., \$45,136; Snohomish County Airport, Snohomish County, Wash., \$38,826; New Castle County Airport, New Castle County, Del., \$27,060; Municipal Airport, Watertown, S. Dak., \$66,-747; Municipal Airport, Klamath Falls, Oreg., \$4,017; Cut Bank Municipal Airport, Cut Bank and Glacier County, Mont., \$32,836; Municipal Airport, Long Beach, Calif., \$200,-679; Municipal Airport, Lewiston and Fergus County, Mont., \$58,568; Simmons-Nott Airport, Newbern, N. C., \$78,536.

The amendment was agreed to.

The next amendment was, on page 7, after line 16, to insert:

THE JUDICIARY

OTHER COURTS AND SERVICES

Fees of commissioners

For an additional amount, fiscal year 1951, for "Fees of commissioners," \$70,000.

The amendment was agreed to.

The next amendment was, under the heading "Chapter IV, title I, Treasury Department," on page 8, after line 7, to insert:

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For an additional amount for "Administering the public debt, \$1,000,000: *Provided*, That no part of this or any other appropriation shall be used for advertising the savings-bond program by press, radio, or television.

Mr. BRIDGES. Mr. President, the amendment, proposed by the Senate Committee on Appropriations, includes the following proviso:

Provided, That no part of this or any other appropriation shall be used for advertising the savings-bond program by press, radio, or television.

I believe that proviso is rather important. It seems to me that at the present time it is most necessary that we shall be able to have the bond sales conducted effectively. In that connection, I believe that freedom of action in

bringing the bond-selling program to the prospective buying public is really more important than the exact amount of the appropriation made available for that purpose.

For that reason, I move to eliminate the proviso included in the amendment, namely:

Provided, That no part of this or any other appropriation shall be used for advertising the savings-bond program by press, radio, or television.

I also move, in line 11, to reduce the figure "\$1,000,000" to "\$500,000." The Treasury Department already has been provided with more than \$5,000,000 in the regular bill, and I think half a million dollars extra at this time would be sufficient.

As I have said, I believe it to be advisable to eliminate the proviso now included in the committee amendment, so that the Department may proceed with reasonable limitations to put across the savings bond program in any way it can.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BRIDGES. Certainly.

Mr. McKELLAR. I should like to make a suggestion to the Senator from New Hampshire. How would it do to reduce the amount by \$500,000, but leave the proviso in the amendment, so that the conferees could work out the matter? I think there is reason in what the Senator has said.

Mr. BRIDGES. Will the Senator from Tennessee repeat that suggestion, please?

Mr. McKELLAR. Certainly. The Senator from New Hampshire has offered an amendment to the committee amendment. His amendment to the committee amendment is virtually in two parts. The first part is to strike out "\$1,000,000" in line 11, and insert in lieu thereof "\$500,000"; and the second part of his amendment to the committee amendment is to eliminate the proviso beginning in line 11.

Mr. BRIDGES. Yes.

Mr. McKELLAR. I suggest to the Senator from New Hampshire that, inasmuch as the committee has directed that the proviso be inserted, it would be best to retain the proviso and take that part of the committee amendment to conference; but I am perfectly willing to have the "\$1,000,000" in line 11 reduced to "\$500,000."

Mr. BRIDGES. I would be perfectly willing to have that amendment taken to conference. However, does the Senator from Tennessee have in mind that at the conference there will be discussed the policy in connection with the sales of savings bonds?

Mr. McKELLAR. That question certainly will be discussed.

Mr. BRIDGES. So far as I am concerned, I would be willing to withdraw the part of my amendment calling for the elimination of the proviso contained in the committee amendment, but I still would reduce the figure "\$1,000,000" in line 11 of the committee amendment to "\$500,000", and take the committee amendment as thus amended to conference.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from New Hampshire to the committee amendment on page 8, after line 7.

Mr. HAYDEN. Mr. President, let me inquire why the Senator from New Hampshire wishes to reduce the amount by half.

Mr. BRIDGES. Because the Treasury Department has already received appropriations of more than \$5,000,000 in the regular appropriation bill. I think that the important question is not the exact amount of money that is used for this purpose, but whether the money is used effectively. In other words, some persons in the Department have called my attention to ways in which substantial sums of money could be saved in connection with this program, which includes invitations to certain persons in various parts of the country to come to Washington.

If \$500,000 is actually needed for this purpose at this time, I would not oppose appropriating it.

Mr. McKELLAR. Mr. President, I may say that both Senators will be on the conference committee, and I am sure the conference committee will consider the item carefully.

Mr. BRIDGES. The House committee cut it out entirely.

Mr. HAYDEN. I understand.

Mr. BRIDGES. I am trying to arrive at a reasonable figure.

Mr. HAYDEN. In view of the attitude of the House, I think the proposed \$500,000 reduction probably would be adjusted on the showing the Senator has in mind.

This much I do know—and I am sure the Senator from New Hampshire will agree with me—that a great many bonds will have to be sold.

Mr. BRIDGES. Yes. That is why I wish to eliminate the proviso in regard to the method of promoting sales through advertising. I think the Department should have considerable leeway in that respect.

Mr. KILGORE. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. KILGORE. No doubt the Senator is aware that various advertisers give free time, free space, and so forth, if the mats and some script are prepared. For that reason, I take the same position that the Senator from New Hampshire does, namely, that it is best to eliminate the proviso now included in the committee amendment. We have already cut the budget estimate from \$2,000,000 to \$1,000,000, and I would be inclined to go along with that, too. However, by the proposed curtailment, we might be killing the goose that lays the golden egg of advertising.

Mr. BRIDGES. I am afraid that the proviso now contained in the committee amendment would be interpreted as preventing the preparation of the mats for advertisements which are carried free of charge. The proviso might not be interpreted in that way, but there is a serious question of it.

Mr. McKELLAR. I think the matter should go to conference, and I am in favor of having that done.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from New Hampshire to the committee amendment on page 8, after line 7.

The amendment, as modified, to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

MUTUAL SECURITY ACT OF 1951

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on the amendment of the House to the amendment of the Senate to House bill 5113, which was read as follows:

IN THE HOUSE OF
REPRESENTATIVES, U. S.,
October 5, 1951.

Resolved, That the House recede from its disagreement to the amendment of the Senate to the bill (H. R. 5113) entitled "An act to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security," and agree to the same with an amendment as follows: In lieu of the matter proposed in the Senate amendment insert the following:

"Resolved, That this act may be cited as the 'Mutual Security Act of 1951.'

"SEC. 2. The Congress declares it to be the purpose of this act to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and the Act for International Development (22 U. S. C. 1557) shall hereafter be deemed to include this purpose.

"TITLE I—EUROPE

"SEC. 101. (a) In order to support the freedom of Europe through assistance which will further the carrying out of the plans for defense of the North Atlantic area, while at the same time maintaining the economic stability of the countries of the area so that they may meet their responsibilities for defense, and to further encourage the economic unification and the political federation of Europe, there are hereby authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and accomplishing the policies and purpose of this act—

"(1) not to exceed \$5,028,000,000 for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this Act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President deter-

mines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States (any such determination to be reported forthwith to the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives), and not to exceed \$100,000,000 of such appropriation for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist-dominated or Communist-occupied areas of Germany and Austria, and any other countries absorbed by the Soviet Union either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance will contribute to the defense of the North Atlantic area and to the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1579), is hereby repealed.

"(2) not to exceed \$1,022,000,000 for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522) (including assistance to further European military production), for any country of Europe covered by paragraph (1) of this subsection and for any other country covered by section 103 (a) of the said Economic Cooperation Act of 1948, as amended. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph: *Provided*, That not to exceed \$10,000,000 of the funds made available pursuant to this paragraph may be utilized to effectuate the principles set forth in section 115 (e) of the Economic Cooperation Act of 1948, as amended.

"(b) Not to exceed 10 percent of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purpose of this act, between appropriations granted pursuant to either paragraph of subsection (a): *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committee on Armed Services of the Senate and of the House of Representatives.

"TITLE II—NEAR EAST AND AFRICA

"SEC. 201. In order to further the purpose of this act by continuing to provide military assistance to Greece, Turkey, and Iran, there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$396,250,000 for furnishing assistance to Greece and Turkey pursuant to the provisions of the act of May 22, 1947, as amended (22 U. S. C. 1401-1410), and for furnishing assistance to Iran pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604).

In addition, unexpended balances of appropriations heretofore made for assistance to Greece and Turkey, available for the fiscal year 1951, pursuant to the act of May 22, 1947, as amended, and for assistance to Iran pursuant to the Mutual Defense Assistance Act of 1949, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

"Sec. 202. Whenever the President determines that such action is essential for the purpose of this act, he may provide assistance, pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended, to any country of the Near East area (other than those covered by section 201) and may utilize not to exceed 10 percent of the amount made available (excluding balances of prior appropriations continued available) pursuant to section 201 of this act: *Provided*, That any such assistance may be furnished only upon determination by the President that (1) the strategic location of the recipient country makes it of direct importance to the defense of the Near East area, (2) such assistance is of critical importance to the defense of the free nations, and (3) the immediately increased ability of the recipient country to defend itself is important to the preservation of the peace and security of the area and to the security of the United States.

"Sec. 203. In order to further the purpose of this act in Africa and the Near East, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$160,000,000 for economic and technical assistance in Africa and the Near East in areas other than those covered by section 103 (a) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1502). Funds appropriated pursuant to this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557).

"Sec. 204. Not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be contributed to the United Nations during the fiscal year 1952, for the purposes, and under the provisions, of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556): *Provided*, That, whenever the President shall determine that it would more effectively contribute to the purposes of the said United Nations Palestine Refugee Aid Act of 1950, he may allocate any part of such funds to any agency of the United States Government to be utilized in furtherance of the purposes of said act and any amount so allocated shall be a part of the United States contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East and shall be so credited by said Agency.

"Sec. 205. In order to assist in the relief of refugees coming into Israel, not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be utilized during the fiscal year 1952, under such terms and conditions as the President may prescribe, for specific refugee relief and resettlement projects in Israel.

"TITLE III—ASIA AND PACIFIC

"Sec. 301. In order to carry out in the general area of China (including the Republic of the Philippines and the Republic of Korea) the provisions of subsection (a) of section 303 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1604 (a)), there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$535,250,000. In addition, unexpended balances of appropriations heretofore made for carrying out the provisions of title III of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1602-1604), are hereby authorized

to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed \$50,000,000 of funds appropriated pursuant to this section (excluding balances of appropriations continued available) may be accounted for as provided in subsection (a) of said section 303.

"Sec. 302. (a) In order to further the purpose of this act through the strengthening of the area covered in section 301 of this act (but not including the Republic of Korea), there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$237,500,000 for economic and technical assistance in those portions of such area which the President deems to be not under Communist control. Funds appropriated pursuant to authority of this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557). In addition, unexpended balances of funds heretofore made available for carrying out the purposes of the China Area Aid Act of 1950 (22 U. S. C. 1547), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

"(b) The third proviso of section 202 of the China Area Aid Act of 1950 is amended by inserting 'and of Korea' after 'selected citizens of China' the first time it appears therein.

"Sec. 303. (a) In order to provide for a United States contribution to the United Nations Korean Reconstruction Agency, established by the resolution of the General Assembly of the United Nations of December 1, 1950, there are hereby authorized to be appropriated to the President not to exceed \$45,000,000. In addition, unobligated balances of the appropriations heretofore made, and available during the fiscal year 1951, for assistance to Korea under authority of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1543, 1551, 1552), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed 50 percent of the total of the appropriations authorized by this section may, when determined by the President to be necessary for the purpose of this act, be transferred to and consolidated with the appropriation authorized by paragraph 302 (a).

"(b) The sums made available pursuant to subsection (a) may be contributed from time to time on behalf of the United States in such amounts as the President determines to be appropriate to support those functions of the United Nations Korean Reconstruction Agency which the military situation in Korea permits the agency to undertake pursuant to arrangements between the agency and the United Nations Unified Command. The aggregate amount which may be contributed on behalf of the United States pursuant to the preceding sentence shall be reduced by the value of goods and services made available to Korea by any department or agency of the United States for relief and economic assistance after the assumption of responsibility for relief and rehabilitation operations in Korea by the United Nations Korean Reconstruction Agency.

"(c) The provisions of subsections 304 (a) and (b) of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556 (b)) are hereby made applicable with respect to Korean assistance furnished under this section.

"(d) Unencumbered balances of sums heretofore or hereafter deposited in the special account established pursuant to paragraph (2) of article V of the agreement of December 10, 1948, between the United States of America and the Republic of Korea (62

Stat., pt. 3, 3788) shall be used in Korea for such purposes as the President determines to be consistent with United Nations programs for assistance to Korea and as may be agreed to between the Government of the United States and the Republic of Korea.

"(e) The function of the Administrator for Economic Cooperation under the provisions of section 3 of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1551), shall hereafter be performed by such departments or agencies of the Government as the President shall direct.

"TITLE IV—AMERICAN REPUBLICS

"Sec. 401. In order to further the purpose of this act through the furnishing of military assistance to the other American Republics, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$38,150,000 for carrying out the purpose of this section under the provisions of the Mutual Defense Assistance Act of 1949, as amended: *Provided*, That such assistance may be furnished only in accordance with defense plans which are found by the President to require the recipient country to participate in missions important to the defense of the Western Hemisphere. Any such assistance shall be subject to agreements, as provided herein and as required by section 402 of the Mutual Defense Assistance Act of 1940, as amended (22 U. S. C. 1673), designed to assure that the assistance will be used to promote the defense of the Western Hemisphere; and after agreement by the Government of the United States and the country concerned with respect to such missions, military assistance hereunder shall be furnished only in accordance with such agreement.

"Sec. 402. In order to further the purpose of this act among the peoples of the American Republics through the furnishing of technical assistance, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$21,250,000 for assistance under the provisions of the Act for International Development (22 U. S. C. 1557) and of the Institute of Inter-American Affairs Act, as amended (22 U. S. C. 281).

"TITLE V—ORGANIZATION AND GENERAL PROVISIONS

"UNIFIED DIRECTION OF PROGRAM

"Sec. 501. (a) In order that the programs of military, economic, and technical assistance authorized by this act may be administered as parts of a unified program in accordance with the intent of Congress and to fix responsibility for the coordination and supervision of these programs in a single person, the President is authorized to appoint in the Executive Office of the President a Director for Mutual Security. The Director, on behalf of the President and subject to his direction, shall have primary responsibility for—

"(1) continuous supervision and general direction of the assistance programs under this act to the end that such programs shall be (A) effectively integrated both at home and abroad, and (B) administered so as to assure that the defensive strength of the free nations of the world shall be built as quickly as possible on the basis of continuous and effective self-help and mutual aid;

"(2) preparation and presentation to the Congress of such programs of foreign military, economic, and technical assistance as may be required in the interest of the security of the United States;

"(3) preparation for the President of the report to the Congress required by section 518 of this act.

"(b) Except as otherwise provided by this act, the Director shall not hold any other office or employment under the United States and shall not have any other responsibilities except those directly related to the coordination, supervision, and direction of the pro-

grams covered by this act or otherwise conferred upon him by law.

"(c) The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$22,500 per annum.

"(d) For the purpose of carrying out the provisions of this section, the President is authorized to utilize the positions created in subsection 406 (e) of the Mutual Defense Assistance Act of 1949, as amended. No person may serve in any such position under this subsection while at the same time he is an officer or employee of any other department or agency of the Government.

"(e) (1) The fourth paragraph of section 101 (a) of the National Security Act of 1947, as amended (50 U. S. C. 402 (a)), is amended by inserting after clause (4) the following:

"(5) the Director for Mutual Security," and by renumbering clauses (5) and (6) thereof as clauses (6) and (7), respectively.

"(2) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (59 Stat. 512), is amended by striking out 'Economic Cooperation Administration' and inserting in lieu thereof 'Mutual Security Agency' and by striking out 'Administrator for Economic Cooperation' and inserting in lieu thereof 'Director for Mutual Security.'

"MUTUAL SECURITY AGENCY

"SEC. 502. (a) The Economic Cooperation Administration and the offices of Administrator for Economic Cooperation, Deputy Administrator, United States special representative in Europe, and deputy special representative are hereby abolished.

"(b) To assist in carrying out the purpose of this act—

"(1) there is hereby established, with its principal office at the seat of the Government, a Mutual Security Agency, hereinafter referred to as the Agency, which shall be headed by the Director for Mutual Security; and

"(2) there shall be transferred to the Director the powers, functions, and responsibilities conferred upon the Administrator for Economic Cooperation by the Economic Cooperation Act of 1948, as amended, and by any other law, but no such powers, functions, and responsibilities shall be exercised after June 30, 1952, except as provided in subsection (c) of this section.

"(c) Not later than April 1, 1952, the President shall inform the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives which of the powers, functions, and responsibilities transferred to the Director by subsection (b) (2) are found by the President to be necessary to enable the Director after June 30, 1952, to carry out the duties conferred upon him by section 503. The termination provision of section 122 of the Economic Cooperation Act of 1948, as amended, shall come into effect on June 30, 1952, and none of the powers, functions, and responsibilities conferred by that act shall be exercised after that date, except those powers, functions, and responsibilities found necessary to enable the Director to carry out the duties conferred on him by section 503 of this act, which powers, functions, and responsibilities unless otherwise provided by law shall continue in effect until June 30, 1954.

"ADDITIONAL DUTIES OF DIRECTOR FOR MUTUAL SECURITY

"SEC. 503. After June 30, 1952, the Director, on behalf of the President and subject to his direction, shall, in consultation with the Secretaries of State and Defense, continue to have primary responsibility for—

"(a) the development and administration of programs of assistance designed to sustain and increase military effort, including production, construction, equipment and matériel in each country or in groups of coun-

tries which receive United States military assistance;

"(b) the provision of such equipment, materials, commodities, services, financial, or other assistance as he finds to be necessary for carrying out mutual defense programs; and

"(c) the provision of limited economic assistance to foreign nations for which the United States has responsibility as a result of participation in joint control arrangements when the President finds that the provision of such economic assistance is in the interest of the security of the United States.

"APPOINTMENT AND TRANSFER OF PERSONNEL

"SEC. 504. (a) To carry out the functions conferred by sections 502 and 503 of this act, there shall be in the Agency a Deputy Director, a special representative in Europe, and a deputy special representative in Europe, who shall be appointed by the President by and with the advice and consent of the Senate, and shall have status and receive compensation comparable to the equivalent positions under the Economic Cooperation Act of 1948, as amended.

"(b) Any personnel of the Economic Cooperation Administration, upon the certification of the Director for Mutual Security and with the approval of the Director of the Bureau of the Budget that such personnel are necessary to carry out the functions of the Director for Mutual Security, and all records and property of such administration which the Director of the Bureau of the Budget determines are used primarily in the administration of the powers and functions transferred to the Director for Mutual Security by this act, shall be transferred to the Mutual Security Agency.

"(c) Of the personnel transferred to or employed by the Mutual Security Agency, not to exceed 50 may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed 15 may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$15,000 per annum. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

"(d) On and after January 1, 1952, the number of United States citizens employed by the Mutual Security Agency shall be at least 10 percent less than the number employed by the Economic Cooperation Administration on August 31, 1951: *Provided*, That the Director for Mutual Security shall cause studies to be made from time to time for the purpose of determining whether further reductions in personnel are feasible and consistent with the accomplishment of the purposes of this act.

"THE SECRETARY OF STATE

"SEC. 505. Nothing contained in this act shall be construed to infringe upon the powers or functions of the Secretary of State.

"THE SECRETARY OF DEFENSE

"SEC. 506. (a) In the case of aid under this act for military end items and related technical assistance and advice, the Secretary of Defense shall have primary responsibility and authority for—

"(1) the determination of military end-item requirements;

"(2) the procurement of military equipment in a manner which permits its integration with service programs;

"(3) the supervision of end-item use by the recipient countries;

"(4) the supervision of the training of foreign military personnel; and

"(5) the movement and delivery of military end items.

"(b) The establishment of priorities in the procurement, delivery, and allocation of

military equipment shall be determined by the Secretary of Defense. The apportionment of funds between countries shall be determined by the President.

"(c) Notwithstanding any other provision of law, during the fiscal year 1952 the Secretary of Defense may furnish (subject to reimbursement from funds appropriated pursuant to this act) military assistance out of the materials of war whose production in the United States shall have been authorized for, and appropriated to, the Department of Defense: *Provided, however*, That nothing in this act shall authorize the furnishing of military items under this subsection in excess of \$1,000,000,000 in value. For the purposes of this subsection (1) 'value' shall be determined in accordance with section 403 (c) of the Mutual Defense Assistance Act of 1949, as amended, and (2) the term 'materials of war' means those goods, commonly known as military items, which are required for the performance of their missions by armed forces of a nation, including weapons, military vehicles, ships of war under 1,500 tons, aircraft, military communications equipment, ammunition, maintenance parts and spares, and military hardware.

"OVERSEAS COORDINATION

"SEC. 507. The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

"RELATIONSHIP TO TECHNICAL COOPERATION ADMINISTRATION AND INSTITUTE OF INTER-AMERICAN AFFAIRS

"SEC. 508. Nothing in this act shall be construed to modify the provisions of section 412 of the act for international development or the provisions of the Institute of Inter-American Affairs Act.

"DETAILS OF PERSONNEL TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

"SEC. 509. Whenever the President determines it to be consistent with and in furtherance of the purpose of this act, the head of any Government agency is authorized to—

"(a) detail or assign any officer or employee of his agency to any office or position to which no compensation is attached with any foreign government or foreign government agency: *Provided*, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government; and

"(b) detail, assign, or otherwise make available to any international organization in which the United States participates, any officer or employee of his agency to serve with or as a member of the international staff of such organizations.

Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds made available to that agency out of funds authorized under this act.

"SECURITY CLEARANCE

"SEC. 510. No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Director or the Secretary of State under this act or the act for international development for a period to exceed 3 months unless (a) such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Director or the Secretary of State, as the case may be, and until the Director or the Secretary of State has certi-

fled in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views; or (b) such individual has been investigated by a military intelligence agency and the Secretary of Defense has certified in writing that he believes such individual is loyal to the United States and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate, nor shall it apply in the case of any person already employed under programs covered by this act who has been previously investigated in connection with such employment.

"ELIGIBILITY FOR ASSISTANCE"

"SEC. 511. (a) No military, economic, or technical assistance authorized pursuant to this act (other than assistance provided under section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the President finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to—

"(1) join in promoting international understanding and good will, and maintaining world peace;

"(2) take such action as may be mutually agreed upon to eliminate causes of international tension;

"(3) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

"(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

"(5) take all reasonable measures which may be needed to develop its defense capacities; and

"(6) take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

"(b) No economic or technical assistance shall be supplied to any other nation unless the President finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and in maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

"FUTURE AUTHORIZATIONS"

"SEC. 512. In order to carry out the purpose of this act, with respect to those countries eligible to receive assistance as provided herein, funds shall be available as authorized and appropriated to the President each fiscal year.

"TRANSPORTATION BETWEEN TITLES"

"SEC. 513. Whenever the President determines it to be necessary for the purpose of this act, not to exceed 10 percent of the funds made available under any title of this act may be transferred to and consolidated with funds made available under any other title of this act in order to furnish, to a different area, assistance of the kind for which such funds were available before transfer. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Sen-

ate and the Committee on Foreign Affairs of the House of Representatives. In the case of the transfer of funds available for military purposes, he shall also forthwith notify the Committees on Armed Services of the Senate and House of Representatives.

"STRATEGIC MATERIALS"

"SEC. 514. In order to promote the increased production, in areas covered by this act, of materials in which the United States is deficient, not to exceed \$55,000,000 of the funds authorized to be appropriated pursuant to section 101 (a) (2) of this act may be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

"PROTECTION AGAINST ATTACHMENT"

"SEC. 515. All countries participating in any United States aid program or in any international organization receiving United States aid shall be required to so deposit, segregate, or assure title to all funds allocated to or derived from any program so that the same shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when in the opinion of the Director any such action would interfere with the attainment of the objectives of this act.

"ENCOURAGEMENT OF FREE ENTERPRISE"

"SEC. 516. It is hereby declared to be the policy of the Congress that this act shall be administered in such a way as (1) to eliminate the barriers to, and provide the incentives for, a steadily increased participation of free private enterprise in developing the resources of foreign countries consistent with the policies of this act, (2) to the extent that it is feasible and does not interfere with the achievement of the purposes set forth in this act, to discourage the cartel and monopolistic business practices prevailing in certain countries receiving aid under this act which result in restricting production and increasing prices, and to encourage where suitable competition and productivity, and (3) to encourage where suitable the development and strengthening of the free labor union movements as the collective bargaining agencies of labor within such countries.

"PATENTS AND TECHNICAL INFORMATION"

"SEC. 517. (a) As used in this section—

"(1) the term 'invention' means an invention or discovery covered by a patent issued by the United States, and

"(2) the term 'information' means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

"(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purpose of this act—

"(1) use within the United States, without authorization by the owner, shall be made of an invention, or

"(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims or in the district court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

"(c) Before such suit against the United States has been instituted, the head of the appropriate department or agency of the Government, which has furnished any assistance in furtherance of the purpose of this

act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

"(d) The provisions of the last sentence of section 1498 of title 28 of the United States Code shall apply to inventions and information covered by this section.

"(e) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than 6 years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the 6 years, unless suit is brought before the last-mentioned date.

"REPORTS"

"SEC. 518. The President, from time to time while funds appropriated for the purpose of this act continue to be available for obligation, shall transmit to the Congress, in lieu of any reports otherwise required by laws continued in effect by this act, reports covering each 6 months of operations in furtherance of the purpose of this act, except information the disclosure of which he deems incompatible with the security of the United States. The first such report shall cover the 6-month period commencing on the date this act becomes effective. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

"LOCAL CURRENCY"

"SEC. 519. (a) Upon a determination by the Director that it will further the purpose of this act, not to exceed \$10,000,000 of the funds made available pursuant to section 203 of this act and not to exceed \$25,000,000 of funds made available pursuant to section 302 of this act may be advanced to countries covered by said sections in return for equivalent amounts of the currency of such countries being made available to meet local currency needs of the aid programs in such countries pursuant to agreements made in advance with the United States: *Provided*, That except when otherwise prescribed by the Director as necessary to the effective accomplishment of the aid programs in such countries, all funds so advanced shall be held under procedures set out in such agreements until used to pay for goods and services approved by the United States or until repaid to the United States for reimbursement to the appropriation from which drawn.

"(b) In order to assist in carrying out the provisions of the Economic Cooperation Act of 1948, as amended, not to exceed \$50,000,000 of funds made available under the authority of this act for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), may be used to acquire local currency for the purpose of increasing the production of materials in which the United States is deficient.

"GUARANTIES"

"SEC. 520. Funds realized from the sales of notes pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be available for making guaranties of investments in accordance with the applicable provisions of sections 111 (b) (3) and 111 (c) (2) of the Economic Cooperation Act, as amended, in any area in which assistance is authorized by this act.

"ADMINISTRATIVE EXPENSES"

"SEC. 521. Funds made available for carrying out the provisions of title I of this act shall be available for United States partici-

pation in the acquisition or construction of facilities in foreign countries for collective defense: *Provided*, That no part of such funds shall be expended for rental or purchase of land or for payment of taxes. Such funds shall also be available for the administrative expenses of carrying out the purposes of all of the titles of this act, including expenses incident to United States participation in international security organizations and expenses in the United States in connection with programs authorized under the Act for International Development. Any currency of any nation received by the United States for its own use in connection with assistance furnished by the United States may be used by any agency of the Government without reimbursement from any appropriation for the administrative and operating expenses of carrying out the purpose of this act. Funds made available for carrying out the purpose of this act in the Federal Republic of Germany may, as authorized in subsection 114 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1512 (h)), be transferred by the President to any department or agency for the expenses necessary to meet the responsibilities and obligations of the United States in the Federal Republic of Germany.

"LOANS

"SEC. 522. Section 111 (c) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), is hereby amended by adding a new paragraph as follows:

"(3) Of the assistance provided under the applicable provisions of this act with funds made available under the authority of the Mutual Security Act of 1951, as great an amount (in no event less than 10 percent) as possible shall be provided on credit terms."

"USE OF COUNTERPART

"SEC. 523. Section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (b) (6)), is hereby amended by—

"(a) inserting in the second proviso thereof after 'wealth' the following: 'for the encouragement of emigration pursuant to subsection (e) of this section';

"(b) adding in the last clause of the second proviso 'and operating' after 'administrative';

"(c) striking from the last clause of the second proviso 'within such country';

"(d) substituting in the fourth proviso the words 'upon termination of assistance to such country under this act' in place of the words 'on June 30, 1952'; and

"(e) adding at the end thereof the following new sentences: 'The Administrator shall exercise the power granted to him by this paragraph to make agreements with respect to the use of the funds deposited in the special accounts of "participating countries" (as defined in sec. 103 (a) hereof) and any other countries receiving assistance under the Mutual Defense Assistance Act of 1949, as amended, in such a manner that the equivalent of not less than \$500,000,000 of such funds shall be used exclusively for military production, construction, equipment, and materiel in such countries. The amount to be devoted from each such special account for such use shall be agreed upon by the Administrator and the country or countries concerned."

"RETURN OF EQUIPMENT

"SEC. 524. The President shall make appropriate arrangements with each nation receiving equipment or material under the Mutual Defense Assistance Act of 1949, as amended (other than equipment or material furnished under terms requiring the nation to reimburse the United States in full therefor), for the return to the United States (1) for salvage or scrap, or (2) for such other disposition as the President shall deem

to be in the interest of mutual security, of any such equipment or material as is no longer required for the purposes for which originally made available.

"REIMBURSABLE AID

"SEC. 525. Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1580), is hereby amended by adding in the first proviso thereof, after the words 'of which it is a part', the words 'or in United Nations collective security arrangements and measures', and by changing the figure at the end of such section 408 (e) to '\$500,000,000.'

"EXCESS EQUIPMENT

"SEC. 526. The proviso in the first sentence of section 403 (d) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1574 (d)), is hereby amended to read as follows: 'Provided, That after June 30, 1950, such limitation shall be increased by \$250,000,000 and after June 30, 1951, by an additional \$300,000,000.'

"CONGRESSIONAL COMMITTEE EXPENSES

"SEC. 527. Section 115 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (h)) is amended by inserting before the period at the end thereof a comma and the following: 'including local currency requirements of appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946.'

"UNITED NATIONS TECHNICAL ASSISTANCE

"SEC. 528. The Act for International Development is amended—

"(a) by adding before the period at the end of section 404 (b) the following: 'Provided, That for the fiscal year ending June 30, 1952, such contributions from funds made available under authority of sections 101 (a) (2), 203, 302, and 402 of the Mutual Security Act of 1951 shall not exceed in the aggregate \$13,000,000, and the use of such contributions shall not be limited to the area covered by the section of the act from which the funds are drawn.'

"(b) by adding at the end of section 407 a new paragraph:

"(d) Participating countries shall be encouraged to establish fair labor standards of wages and working conditions and management-labor relations."

"(c) by repealing section 414.

"TERMINATION OF ASSISTANCE BY PRESIDENT

"SEC. 529. If the President determines that the furnishing of assistance to any nation—

"(a) is no longer consistent with the national interest or security of the United States or the policies and purpose of this act; or

"(b) would contravene a decision of the Security Council of the United Nations; or

"(c) would be inconsistent with the principle that members of the United Nations should refrain from giving assistance to any nation against which the Security Council or the General Assembly has recommended measures in case of a threat, to, or breach of, the peace, or act of aggression,

he shall terminate all or part of any assistance furnished pursuant to this act. The function conferred herein shall be in addition to all other functions heretofore conferred with respect to the termination of military, economic, or technical assistance.

"EXPIRATION OF PROGRAM

"SEC. 530. (a) After June 30, 1954, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, none of the authority conferred by this act or by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604) may be exercised; except that during the 12 months following such date equipment, materials, commodities, and services with respect to which procurement for, shipment to, or delivery in a recipient country

had been authorized prior to such date, may be transferred to such country, and funds appropriated under authority of this act may be obligated during such 12-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer and shall remain available during such period for the necessary expenses of liquidating operations under this act.

"(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the 12 months following such date, the powers, duties, and authority conferred by this act and by the Mutual Defense Assistance Act of 1949, as amended, may be transferred for the purpose of liquidation to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, property, and personnel may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

"EFFECTIVE DATE

"SEC. 531. Sections 502 (a), (b) (2), and section 504 (b) of this act shall take effect on such date or dates as the President shall specify, but in no event later than 60 days after the date the Director first appointed takes office. Section 511 shall take effect 90 days after enactment of this act. All other provisions of this act shall take effect upon the date of its enactment."

Mr. CONNALLY. Mr. President, the House rejected the conference report on a point of order with regard to only one item. The House thereupon adopted an amendment to the Senate amendment without that item, and it is now before the Senate.

I move that the Senate agree to the amendment of the House to the amendment of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Mr. CASE. Mr. President, will the Senator repeat his motion, please? I could not quite hear it.

Mr. CONNALLY. I have said that the conference report on the mutual security bill went back to the House of Representatives.

Mr. CASE. I understand that, but I did not understand the Senator's motion.

Mr. CONNALLY. I moved that the Senate agree to what the House has done, so as to end the matter.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to.

AMENDMENT OF FEDERAL-AID HIGHWAY ACT OF 1950 TO INCREASE AMOUNT AVAILABLE AS EMERGENCY RELIEF FUND

Mr. HOLLAND. Mr. President, I ask the Chair to lay before the Senate the message from the House transmitting to the Senate House bill 5257, which has been passed by the House.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 5257) to amend section 9 of the Federal-Aid Highway Act of 1950 (64 Stat. 785), to increase the amount available as an emergency relief fund for the repair or reconstruction of highways and bridges damaged by floods, which was read twice by its title.

Mr. HOLLAND. Mr. President, some days ago, the Senate passed a com-

Public Law 165 - 82d Congress

Chapter 479 - 1st Session

H. R. 5113

AN ACT

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1951".

SEC. 2. The Congress declares it to be the purpose of this Act to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and the Act for International Development (22 U. S. C. 1557) shall hereafter be deemed to include this purpose.

Mutual Security Act of 1951.

Purpose of Act.

63 Stat. 714.

62 Stat. 137.

64 Stat. 204.

TITLE I—EUROPE

SEC. 101. (a) In order to support the freedom of Europe through assistance which will further the carrying out of the plans for defense of the North Atlantic area, while at the same time maintaining the economic stability of the countries of the area so that they may meet their responsibilities for defense, and to further encourage the economic unification and the political federation of Europe, there are hereby authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and accomplishing the policies and purpose of this Act—

Appropriations authorized.

(1) not to exceed \$5,028,000,000 for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this Act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States (any such determination to be reported forthwith to the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives), and not to exceed \$100,000,000 of such appropriation for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist dominated or Communist occupied areas of Germany and Austria, and any other countries absorbed by the Soviet Union either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance will contribute to the defense of the North Atlantic area and to the security of the United States. In addition, unexpended balances

Assistance pursuant to Mutual Defense Assistance Act of 1949. 63 Stat., Pt. 2, p. 2241.

Maximum amount for escapees, etc.

65 Stat. 373.

65 Stat. 374.

of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph. Section 408 (c) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1579), is hereby repealed.

Assistance pursuant to Economic Cooperation Act of 1948.
62 Stat. 137.
22 U.S.C. § 1502.

(2) not to exceed \$1,022,000,000 for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522) (including assistance to further European military production), for any country of Europe covered by paragraph (1) of this subsection and for any other country covered by section 103 (a) of the said Economic Cooperation Act of 1948, as amended. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph: *Provided*, That not to exceed \$10,000,000 of the funds made available pursuant to this paragraph may be utilized to effectuate the principles set forth in section 115 (e) of the Economic Cooperation Act of 1948, as amended.

Utilization of manpower.
22 U.S.C. § 1513.

Transfer of funds.

(b) Not to exceed 10 per centum of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purpose of this Act, between appropriations granted pursuant to either paragraph of subsection (a): *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.

Notification of Congress by President.

TITLE II—NEAR EAST AND AFRICA

Military assistance.
Appropriations authorized.

61 Stat. 103.

63 Stat. 714.

65 Stat. 374.

65 Stat. 375.

SEC. 201. In order to further the purpose of this Act by continuing to provide military assistance to Greece, Turkey, and Iran, there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$396,250,000 for furnishing assistance to Greece and Turkey pursuant to the provisions of the Act of May 22, 1947, as amended (22 U. S. C. 1401-1410), and for furnishing assistance to Iran pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604). In addition, unexpended balances of appropriations heretofore made for assistance to Greece and Turkey, available for the fiscal year 1951, pursuant to the Act of May 22, 1947, as amended, and for assistance to Iran pursuant to the Mutual Defense Assistance Act of 1949, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

Near East area.

SEC. 202. Whenever the President determines that such action is essential for the purpose of this Act, he may provide assistance, pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended, to any country of the Near East area (other than those covered by section 201) and may utilize not to exceed 10 per centum of the amount made available (excluding balances of prior appropria-

tions continued available) pursuant to section 201 of this Act: *Provided*, That any such assistance may be furnished only upon determination by the President that (1) the strategic location of the recipient country makes it of direct importance to the defense of the Near East area, (2) such assistance is of critical importance to the defense of the free nations, and (3) the immediately increased ability of the recipient country to defend itself is important to the preservation of the peace and security of the area and to the security of the United States.

Sec. 203. In order to further the purpose of this Act in Africa and the Near East, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$160,000,000 for economic and technical assistance in Africa and the Near East in areas other than those covered by section 103 (a) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1502). Funds appropriated pursuant to this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557).

Economic and technical assistance. Appropriation authorized.

62 Stat. 138.

64 Stat. 204.

Sec. 204. Not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be contributed to the United Nations during the fiscal year 1952, for the purposes, and under the provisions, of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556): *Provided*, That, whenever the President shall determine that it would more effectively contribute to the purposes of the said United Nations Palestine Refugee Aid Act of 1950, he may allocate any part of such funds to any agency of the United States Government to be utilized in furtherance of the purposes of said Act and any amount so allocated shall be a part of the United States contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East and shall be so credited by said Agency.

Contributions to U. N.

64 Stat. 203.

Sec. 205. In order to assist in the relief of refugees coming into Israel, not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be utilized during the fiscal year 1952, under such terms and conditions as the President may prescribe, for specific refugee relief and resettlement projects in Israel.

Israel. Relief and resettlement.

TITLE III—ASIA AND PACIFIC

Sec. 301. In order to carry out in the general area of China (including the Republic of the Philippines and the Republic of Korea) the provisions of subsection (a) of section 303 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1604 (a)), there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$535,250,000. In addition, unexpended balances of appropriations heretofore made for carrying out the provisions of title III of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1602-1604), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed \$50,000,000 of funds appropriated pursuant to this section (excluding balances of appropriations continued available) may be accounted for as provided in subsection (a) of said section 303.

Area of China. Appropriations authorized.

64 Stat. 375.

63 Stat. 716.

65 Stat. 375.

65 Stat. 376.

Sec. 302. (a) In order to further the purpose of this Act through the strengthening of the area covered in section 301 of this Act (but not including the Republic of Korea), there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$237,500,000 for economic and technical assistance in those portions of such area which the President deems to be not under Communist

Portions of area deemed not under Communist control.

control. Funds appropriated pursuant to authority of this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557). In addition, unexpended balances of funds heretofore made available for carrying out the purposes of the China Area Aid Act of 1950 (22 U. S. C. 1547), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

(b) The third proviso of section 202 of the China Area Aid Act of 1950 is amended by inserting "and of Korea" after "selected citizens of China" the first time it appears therein.

United Nations
Korean Recon-
struction Ag-
ency.
Appropriation
authorized.

SEC. 303. (a) In order to provide for a United States contribution to the United Nations Korean Reconstruction Agency, established by the resolution of the General Assembly of the United Nations of December 1, 1950, there are hereby authorized to be appropriated to the President not to exceed \$45,000,000. In addition, unobligated balances of the appropriations heretofore made, and available during the fiscal year 1951, for assistance to Korea under authority of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1543, 1551, 1552), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed 50 per centum of the total of the appropriations authorized by this section may, when determined by the President to be necessary for the purpose of this Act, be transferred to and consolidated with the appropriation authorized by paragraph 302 (a).

64 Stat. 5.

(b) The sums made available pursuant to subsection (a) may be contributed from time to time on behalf of the United States in such amounts as the President determines to be appropriate to support those functions of the United Nations Korean Reconstruction Agency which the military situation in Korea permits the Agency to undertake pursuant to arrangements between the Agency and the United Nations Unified Command. The aggregate amount which may be contributed on behalf of the United States pursuant to the preceding sentence shall be reduced by the value of goods and services made available to Korea by any department or agency of the United States for relief and economic assistance after the assumption of responsibility for relief and rehabilitation operations in Korea by the United Nations Korean Reconstruction Agency.

64 Stat. 203.

(c) The provisions of subsections 304 (a) and (b) of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556 (b)) are hereby made applicable with respect to Korean assistance furnished under this section.

(d) Unencumbered balances of sums heretofore or hereafter deposited in the special account established pursuant to paragraph (2) of article V of the agreement of December 10, 1948, between the United States of America and the Republic of Korea (62 Stat., part 3, 2788) shall be used in Korea for such purposes as the President determines to be consistent with United Nations programs for assistance to Korea and as may be agreed to between the Government of the United States and the Republic of Korea.

65 Stat. 376.

65 Stat. 377.

(e) The functions of the Administrator for Economic Cooperation under the provisions of section 3 of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1551), shall hereafter be performed by such departments or agencies of the Government as the President shall direct.

64 Stat. 5.

TITLE IV—AMERICAN REPUBLICS

SEC. 401. In order to further the purpose of this Act through the furnishing of military assistance to the other American Republics, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$38,150,000 for carrying out the purposes of this section under the provisions of the Mutual Defense Assistance Act of 1949, as amended: *Provided*, That such assistance may be furnished only in accordance with defense plans which are found by the President to require the recipient country to participate in missions important to the defense of the Western Hemisphere. Any such assistance shall be subject to agreements, as provided herein and as required by section 402 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1573), designed to assure that the assistance will be used to promote the defense of the Western Hemisphere; and after agreement by the Government of the United States and the country concerned with respect to such missions, military assistance hereunder shall be furnished only in accordance with such agreement.

Military assistance.
Appropriation authorized.

63 Stat. 714.
22 U.S.C.
§ 1571 note.

63 Stat. 717.

SEC. 402. In order to further the purpose of this Act among the peoples of the American Republics through the furnishing of technical assistance, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$21,250,000 for assistance under the provisions of the Act for International Development (22 U. S. C. 1557) and of the Institute of Inter-American Affairs Act, as amended (22 U. S. C. 281).

Technical assistance.
Appropriation authorized.

64 Stat. 204.
61 Stat. 780.

TITLE V—ORGANIZATION AND GENERAL PROVISIONS

UNIFIED DIRECTION OF PROGRAM

SEC. 501. (a) In order that the programs of military, economic, and technical assistance authorized by this Act may be administered as parts of a unified program in accordance with the intent of Congress and to fix responsibility for the coordination and supervision of these programs in a single person, the President is authorized to appoint in the Executive Office of the President a Director for Mutual Security. The Director, on behalf of the President and subject to his direction, shall have primary responsibility for—

Director for Mutual Security.

(1) continuous supervision and general direction of the assistance programs under this Act to the end that such programs shall be (A) effectively integrated both at home and abroad, and (B) administered so as to assure that the defensive strength of the free nations of the world shall be built as quickly as possible on the basis of continuous and effective self-help and mutual aid;

(2) preparation and presentation to the Congress of such programs of foreign military, economic, and technical assistance as may be required in the interest of the security of the United States;

(3) preparation for the President of the report to the Congress required by section 518 of this Act.

(b) Except as otherwise provided by this Act, the Director shall not hold any other office or employment under the United States and shall not have any other responsibilities except those directly related to the coordination, supervision, and direction, of the programs covered by this Act or otherwise conferred upon him by law.

65 Stat. 377.
65 Stat. 378.

(c) The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$22,500 per annum.

Appointment;
salary.

63 Stat. 719.
22 U.S.C.
§ 1577.

(d) For the purpose of carrying out the provisions of this section, the President is authorized to utilize the positions created in subsection 406 (e) of the Mutual Defense Assistance Act of 1949, as amended. No person may serve in any such position under this subsection while at the same time he is an officer or employee of any other department or agency of the Government.

63 Stat. 579.

(e) (1) The fourth paragraph of section 101 (a) of the National Security Act of 1947, as amended (50 U. S. C. 402 (a)), is amended by inserting after clause (4) the following:

“(5) the Director for Mutual Security;”
and by renumbering clauses (5) and (6) thereof as clauses (6) and (7), respectively.

22 U.S.C.
§ 286b.

(2) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (59 Stat. 512), is amended by striking out “Economic Cooperation Administration” and inserting in lieu thereof “Mutual Security Agency” and by striking out “Administrator for Economic Cooperation” and inserting in lieu thereof “Director for Mutual Security”.

MUTUAL SECURITY AGENCY

Abolition
of ECA.

SEC. 502. (a) The Economic Cooperation Administration and the offices of Administrator for Economic Cooperation, Deputy Administrator, United States Special Representative in Europe, and Deputy Special Representative are hereby abolished.

Establishment
of Agency.

(b) To assist in carrying out the purpose of this Act—

(1) there is hereby established, with its principal office at the seat of the government, a Mutual Security Agency, hereinafter referred to as the Agency, which shall be headed by the Director for Mutual Security; and

(2) there shall be transferred to the Director the powers, functions, and responsibilities conferred upon the Administrator for Economic Cooperation by the Economic Cooperation Act of 1948, as amended, and by any other law, but no such powers, functions, and responsibilities shall be exercised after June 30, 1952, except as provided in subsection (c) of this section.

62 Stat. 137.
22 U.S.C.
§ 1501 note.

(c) Not later than April 1, 1952, the President shall inform the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives which of the powers, functions, and responsibilities transferred to the Director by subsection (b) (2) are found by the President to be necessary to enable the Director after June 30, 1952, to carry out the duties conferred upon him by section 503. The termination provisions of section 122 of the Economic Cooperation Act of 1948, as amended, shall come into effect on June 30, 1952, and none of the powers, functions, and responsibilities conferred by that Act shall be exercised after that date, except those powers, functions, and responsibilities found necessary to enable the Director to carry out the duties conferred on him by section 503 of this Act, which powers, functions, and responsibilities unless otherwise provided by law shall continue in effect until June 30, 1954.

22 U.S.C.
§ 1520.

ADDITIONAL DUTIES OF DIRECTOR FOR MUTUAL SECURITY

SEC. 503. After June 30, 1952, the Director, on behalf of the President and subject to his direction, shall, in consultation with the Secretaries of State and Defense, continue to have primary responsibility for—

65 Stat. 378.
65 Stat. 379.

(a) the development and administration of programs of assistance designed to sustain and increase military effort, including

production, construction, equipment and matériel in each country or in groups of countries which receive United States military assistance;

(b) the provision of such equipment, materials, commodities, services, financial, or other assistance as he finds to be necessary for carrying out mutual defense programs; and

(c) the provision of limited economic assistance to foreign nations for which the United States has responsibility as a result of participation in joint control arrangements when the President finds that the provision of such economic assistance is in the interest of the security of the United States.

APPOINTMENT AND TRANSFER OF PERSONNEL

SEC. 504. (a) To carry out the functions conferred by sections 502 and 503 of this Act, there shall be in the Agency a Deputy Director, a Special Representative in Europe, and a Deputy Special Representative in Europe, who shall be appointed by the President by and with the advice and consent of the Senate, and shall have status and receive compensation comparable to the equivalent positions under the Economic Cooperation Act of 1948, as amended.

Deputy Director, etc.

62 Stat. 137.
22 U.S.C.
§ 1501 note.

(b) Any personnel of the Economic Cooperation Administration, upon the certification of the Director for Mutual Security and with the approval of the Director of the Bureau of the Budget that such personnel are necessary to carry out the functions of the Director for Mutual Security, and all records and property of such Administration which the Director of the Bureau of the Budget determines are used primarily in the administration of the powers and functions transferred to the Director for Mutual Security by this Act, shall be transferred to the Mutual Security Agency.

(c) Of the personnel transferred to or employed by the Mutual Security Agency, not to exceed fifty may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed fifteen may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$15,000 per annum. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

63 Stat. 954.
5 U.S.C.
§ 1071 note.

(d) On and after January 1, 1952, the number of United States citizens employed by the Mutual Security Agency shall be at least 10 per centum less than the number employed by the Economic Cooperation Administration on August 31, 1951: *Provided*, That the Director for Mutual Security shall cause studies to be made from time to time for the purpose of determining whether further reductions in personnel are feasible and consistent with the accomplishment of the purposes of this Act.

Reductions in personnel.

THE SECRETARY OF STATE

SEC. 505. Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

THE SECRETARY OF DEFENSE

SEC. 506. (a) In the case of aid under this Act for military end items and related technical assistance and advice, the Secretary of Defense shall have primary responsibility and authority for—

(1) the determination of military end-item requirements;

65 Stat. 379.

(2) the procurement of military equipment in a manner which permits its integration with service programs;

65 Stat. 380.

- (3) the supervision of end-item use by the recipient countries;
- (4) the supervision of the training of foreign military personnel; and
- (5) the movement and delivery of military end items.

(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense. The apportionment of funds between countries shall be determined by the President.

Furnishing of
military items,
etc.

(c) Notwithstanding any other provision of law, during the fiscal year 1952 the Secretary of Defense may furnish (subject to reimbursement from funds appropriated pursuant to this Act) military assistance out of the materials of war whose production in the United States shall have been authorized for, and appropriated to, the Department of Defense: *Provided, however,* That nothing in this Act shall authorize the furnishing of military items under this subsection in excess of \$1,000,000,000 in value. For the purposes of this subsection

63 Stat. 717.
22 U.S.C. 1573.

(1) "value" shall be determined in accordance with section 402 (c) of the Mutual Defense Assistance Act of 1949, as amended, and (2) the term "materials of war" means those goods, commonly known as military items, which are required for the performance of their missions by armed forces of a nation, including weapons, military vehicles, ships of war under fifteen hundred tons, aircraft, military communications equipment, ammunition, maintenance parts and spares, and military hardware.

OVERSEAS COORDINATION

SEC. 507. The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

RELATIONSHIP TO TECHNICAL COOPERATION ADMINISTRATION AND INSTITUTE OF INTER-AMERICAN AFFAIRS

64 Stat. 207;
61 Stat. 780.
22 U.S.C.
§ 1557j, 281
note.

SEC. 508. Nothing in this Act shall be construed to modify the provisions of section 412 of the Act for International Development or the provisions of the Institute of Inter-American Affairs Act.

DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

SEC. 509. Whenever the President determines it to be consistent with and in furtherance of the purpose of this Act, the head of any Government agency is authorized to—

(a) detail or assign any officer or employee of his agency to any office or position to which no compensation is attached with any foreign government or foreign government agency: *Provided,* That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government; and

(b) detail, assign, or otherwise make available to any international organization in which the United States participates, any officer or employee of his agency to serve with or as a member of the international staff of such organizations.

Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds made available to that agency out of funds authorized under this Act.

65 Stat. 380.
65 Stat. 381.

SECURITY CLEARANCE

SEC. 510. No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Director or the Secretary of State under this Act or the Act for International Development for a period to exceed three months unless (a) such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Director or the Secretary of State, as the case may be, and until the Director or the Secretary of State has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views; or (b) such individual has been investigated by a military intelligence agency and the Secretary of Defense has certified in writing that he believes such individual is loyal to the United States and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate, nor shall it apply in the case of any person already employed under programs covered by this Act who has been previously investigated in connection with such employment.

ELIGIBILITY FOR ASSISTANCE

SEC. 511. (a) No military, economic, or technical assistance authorized pursuant to this Act (other than assistance provided under section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the President finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to—

63 Stat. 720.
22 U.S.C. § 1580.

(1) join in promoting international understanding and good will, and maintaining world peace;

(2) take such action as may be mutually agreed upon to eliminate causes of international tension;

(3) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

(5) take all reasonable measures which may be needed to develop its defense capacities; and

(6) take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

(b) No economic or technical assistance shall be supplied to any other nation unless the President finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and in maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

FUTURE AUTHORIZATIONS

SEC. 512. In order to carry out the purpose of this Act, with respect to those countries eligible to receive assistance as provided herein, funds shall be available as authorized and appropriated to the President each fiscal year.

TRANSFERABILITY BETWEEN TITLES

SEC. 513. Whenever the President determines it to be necessary for the purpose of this Act, not to exceed 10 per centum of the funds made available under any title of this Act may be transferred to and consolidated with funds made available under any other title of this Act in order to furnish, to a different area, assistance of the kind for which such funds were available before transfer. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives. In the case of the transfer of funds available for military purposes, he shall also forthwith notify the Committees on Armed Services of the Senate and House of Representatives.

STRATEGIC MATERIALS

SEC. 514. In order to promote the increased production, in areas covered by this Act, of materials in which the United States is deficient, not to exceed \$55,000,000 of the funds authorized to be appropriated pursuant to section 101 (a) (2) of this Act may be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

62 Stat. 137.

PROTECTION AGAINST ATTACHMENT

SEC. 515. All countries participating in any United States aid program or in any international organization receiving United States aid shall be required to so deposit, segregate, or assure title to all funds allocated to or derived from any program so that the same shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when in the opinion of the Director any such action would interfere with the attainment of the objectives of this Act.

ENCOURAGEMENT OF FREE ENTERPRISE

SEC. 516. It is hereby declared to be the policy of the Congress that this Act shall be administered in such a way as (1) to eliminate the barriers to, and provide the incentives for, a steadily increased participation of free private enterprise in developing the resources of foreign countries consistent with the policies of this Act, (2) to the extent that it is feasible and does not interfere with the achievement of the purposes set forth in this Act, to discourage the cartel and monopolistic business practices prevailing in certain countries receiving aid under this Act which result in restricting production and increasing prices, and to encourage where suitable competition and productivity, and (3) to encourage where suitable the development and strengthening of the free labor union movements as the collective bargaining agencies of labor within such countries.

PATENTS AND TECHNICAL INFORMATION

SEC. 517. (a) As used in this section—

(1) the term "invention" means an invention or discovery covered by a patent issued by the United States, and

Definitions.

(2) the term "information" means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purpose of this Act—

(1) use within the United States, without authorization by the owner, shall be made of an invention, or

(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information Suits. shall be by suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

(c) Before such suit against the United States has been instituted, the head of the appropriate department or agency of the Government, which has furnished any assistance in furtherance of the purpose of this Act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

(d) The provisions of the last sentence of section 1498 of Title 28 of the United States Code shall apply to inventions and information 62 Stat. 941. covered by this section.

(e) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the six years, unless suit is brought before the last-mentioned date.

REPORTS

SEC. 518. The President, from time to time while funds appropriated for the purpose of this Act continue to be available for obligation, shall transmit to the Congress, in lieu of any reports otherwise required by laws continued in effect by this Act, reports covering each six months of operations in furtherance of the purpose of this Act, except information the disclosure of which he deems incompatible with the security of the United States. The first such report shall cover the six-month period commencing on the date this Act becomes effective. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

LOCAL CURRENCY

SEC. 519. (a) Upon a determination by the Director that it will further the purpose of this Act, not to exceed \$10,000,000 of the funds made available pursuant to section 203 of this Act and not to exceed \$25,000,000 of funds made available pursuant to section 302 of this Act may be advanced to countries covered by said sections in return for equivalent amounts of the currency of such countries being made

available to meet local currency needs of the aid programs in such countries pursuant to agreements made in advance with the United States: *Provided*, That except when otherwise prescribed by the Director as necessary to the effective accomplishment of the aid programs in such countries, all funds so advanced shall be held under procedures set out in such agreements until used to pay for goods and services approved by the United States or until repaid to the United States for reimbursement to the appropriation from which drawn.

62 Stat. 137. (b) In order to assist in carrying out the provisions of the Economic Cooperation Act of 1948, as amended, not to exceed \$50,000,000 of funds made available under the authority of this Act for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), may be used to acquire local currency for the purpose of increasing the production of materials in which the United States is deficient.

GUARANTIES

62 Stat. 143. SEC. 520. Funds realized from the sales of notes pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be available for making guaranties of investments in accordance with the applicable provisions of sections 111 (b) (3) and 111 (c) (2) of the Economic Cooperation Act, as amended, in any area in which assistance is authorized by this Act.

ADMINISTRATIVE EXPENSES

64 Stat. 200. SEC. 521. Funds made available for carrying out the provisions of title I of this Act shall be available for United States participation in the acquisition or construction of facilities in foreign countries for collective defense: *Provided*, That no part of such funds shall be expended for rental or purchase of land or for payment of taxes. Such funds shall also be available for the administrative expenses of carrying out the purposes of all of the titles of this Act, including expenses incident to United States participation in international security organizations and expenses in the United States in connection with programs authorized under the Act for International Development. Any currency of any nation received by the United States for its own use in connection with assistance furnished by the United States may be used by any agency of the Government without reimbursement from any appropriation for the administrative and operating expenses of carrying out the purpose of this Act. Funds made available for carrying out the purpose of this Act in the Federal Republic of Germany may, as authorized in subsection 114 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1512 (h)), be transferred by the President to any department or agency for the expenses necessary to meet the responsibilities and obligations of the United States in the Federal Republic of Germany.

LOANS

62 Stat. 143. SEC. 522. Section 111 (c) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), is hereby amended by adding a new paragraph as follows:
62 Stat. 143. " (3) Of the assistance provided under the applicable provisions of this Act with funds made available under the authority of the Mutual Security Act of 1951, as great an amount (in no event less than 10 per centum) as possible shall be provided on credit terms."

USE OF COUNTERPART

SEC. 523. Section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (b) (6)), is hereby amended by— 62 Stat. 151.

(a) inserting in the second proviso thereof after "wealth" the following: "for the encouragement of emigration pursuant to subsection (e) of this section";

(b) adding in the last clause of the second proviso "and operating" after "administrative";

(c) striking from the last clause of the second proviso "within such country";

(d) substituting in the fourth proviso the words "upon termination of assistance to such country under this Act" in place of the words "on June 30, 1952"; and

(e) adding at the end thereof the following new sentences: "The Administrator shall exercise the power granted to him by this paragraph to make agreements with respect to the use of the funds deposited in the special accounts of 'participating countries' (as defined in section 103 (a) hereof) and any other countries receiving assistance under the Mutual Defense Assistance Act of 1949, as amended, in such a manner that the equivalent of not less than \$500,000,000 of such funds shall be used exclusively for military production, construction, equipment, and matériel in such countries. The amount to be devoted from each such special account for such use shall be agreed upon by the Administrator and the country or countries concerned." 63 Stat. 714.
22 U.S.C.
§ 1571 note.

RETURN OF EQUIPMENT

SEC. 524. The President shall make appropriate arrangements with each nation receiving equipment or material under the Mutual Defense Assistance Act of 1949, as amended (other than equipment or material furnished under terms requiring the nation to reimburse the United States in full therefor), for the return to the United States (1) for salvage or scrap, or (2) for such other disposition as the President shall deem to be in the interest of mutual security, of any of such equipment or material as is no longer required for the purposes for which originally made available. 63 Stat. 714.
22 U.S.C.
§ 1571 note.

REIMBURSABLE AID

SEC. 525. Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1580), is hereby amended by adding in the first proviso thereof, after the words "of which it is a part", the words "or in United Nations collective security arrangements and measures", and by changing the figure at the end of such section 408 (e) to "\$500,000,000". 63 Stat. 720.

EXCESS EQUIPMENT

SEC. 526. The proviso in the first sentence of section 403 (d) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1574 (d)), is hereby amended to read as follows: "Provided, That after June 30, 1950, such limitation shall be increased by \$250,000,000 and after June 30, 1951, by an additional \$300,000,000". 63 Stat. 717.

CONGRESSIONAL COMMITTEE EXPENSES

SEC. 527. Section 115 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (h)) is amended by inserting before the period at the end thereof a comma and the following: "including local 63 Stat. 54.

60 Stat. 832.

currency requirements of appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946".

UNITED NATIONS TECHNICAL ASSISTANCE

64 Stat. 205.

22 U.S.C.

§ 1557b.

SEC. 528. The Act for International Development is amended—
 (a) By adding before the period at the end of section 404 (b) the following: "Provided, That for the fiscal year ending June 30, 1952, such contributions from funds made available under authority of sections 101 (a) (2), 203, 302, and 402 of the Mutual Security Act of 1951 shall not exceed in the aggregate \$13,000,000, and the use of such contributions shall not be limited to the area covered by the section of the Act from which the funds are drawn".

22 U.S.C.

§ 1557e.

(b) By adding at the end of section 407 a new paragraph:
 "(d) Participating countries shall be encouraged to establish fair labor standards of wages and working conditions and management-labor relations."

22 U.S.C.

§ 1557L.

(c) By repealing section 414.

TERMINATION OF ASSISTANCE BY PRESIDENT

SEC. 529. If the President determines that the furnishing of assistance to any nation—

(a) is no longer consistent with the national interest or security of the United States or the policies and purpose of this Act; or

(b) would contravene a decision of the Security Council of the United Nations; or

(c) would be inconsistent with the principle that members of the United Nations should refrain from giving assistance to any nation against which the Security Council or the General Assembly has recommended measures in case of a threat to, or breach of, the peace, or act of aggression,
 he shall terminate all or part of any assistance furnished pursuant to this Act. The function conferred herein shall be in addition to all other functions heretofore conferred with respect to the termination of military, economic, or technical assistance.

EXPIRATION OF PROGRAM

63 Stat. 714.

SEC. 530. (a) After June 30, 1954, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, none of the authority conferred by this Act or by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604) may be exercised; except that during the twelve months following such date equipment, materials, commodities, and services with respect to which procurement for, shipment to, or delivery in a recipient country had been authorized prior to such date, may be transferred to such country, and funds appropriated under authority of this Act may be obligated during such twelve-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer and shall remain available during such period for the necessary expenses of liquidating operations under this Act.

Transfer of
powers, etc.

(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the twelve months following such date, the powers, duties, and authority conferred by this Act and by the Mutual Defense Assistance Act of 1949, as amended, may be transferred for the purpose of liquidation to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, property and personnel may

be transferred to the departments, agencies, or establishments to which the related functions are transferred.

EFFECTIVE DATE

SEC. 531. Sections 502 (a), (b) (2), and section 504 (b) of this Act shall take effect on such date or dates as the President shall specify, but in no event later than sixty days after the date the Director first appointed takes office. Section 511 shall take effect ninety days after enactment of this Act. All other provisions of this Act shall take effect upon the date of its enactment.

Approved October 10, 1951.

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